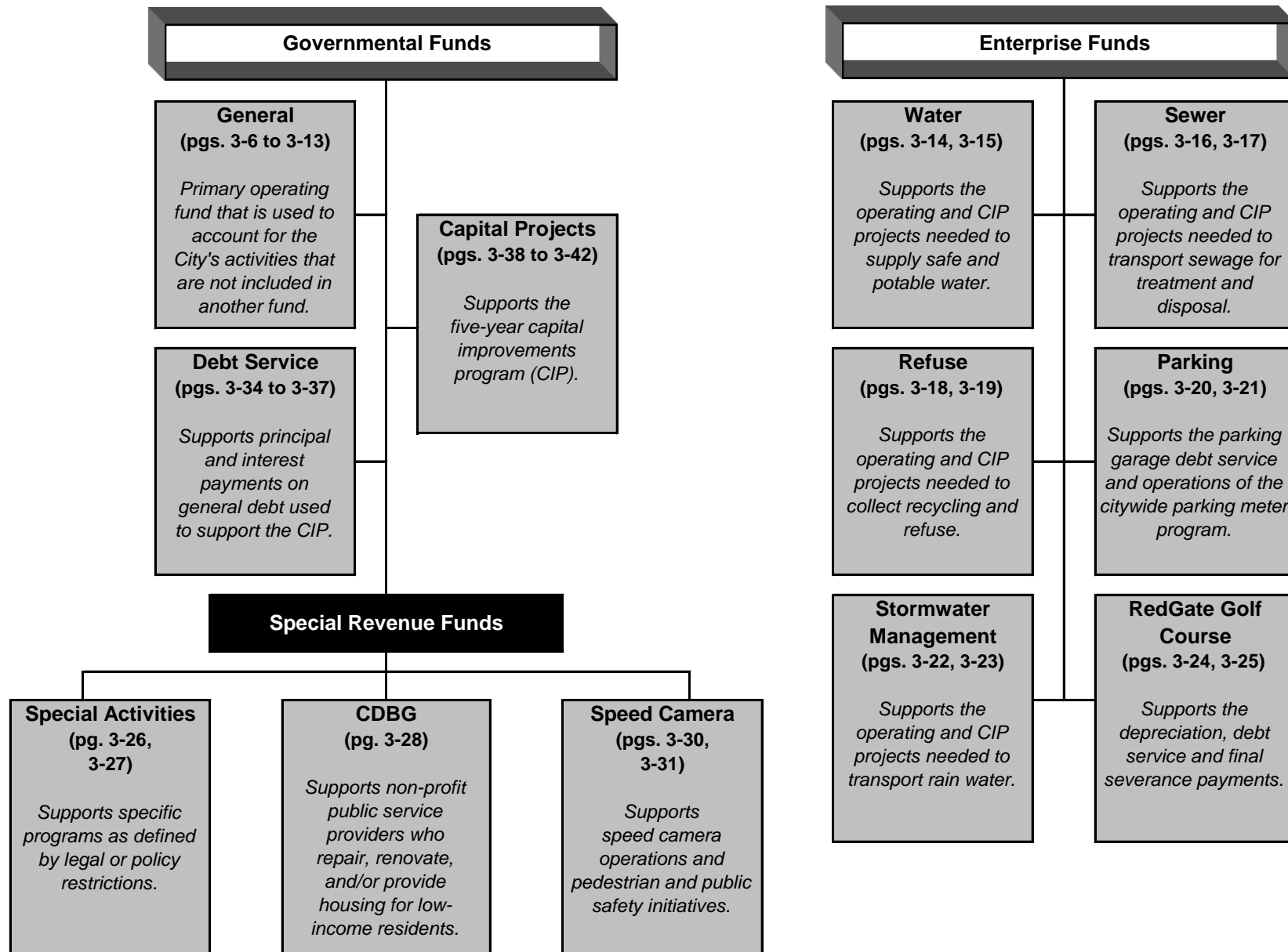


# All Funds Summary - Fund Overview

FIGURE 3-1. The City of Rockville's Budget Contains 11 Operating Funds and 1 Capital Fund



# All Funds Summary - Operating by Category

**TABLE 3-1. FY 2013 Resources by Category**

	General (110)	Water (210)	Sewer (220)	Refuse (230)	Parking (320)	SWM (330)	RedGate (340)	Spec. Act. (350)	CDBG (360)	Speed (380)	Debt Serv. (550)	Total for All Funds
<b>Revenue</b>												
Property Taxes	35,090,580	-	-	-	161,300	-	-	-	-	-	-	35,251,880
From Other Gov't.	15,743,820	-	-	-	295,000	-	-	-	454,072	-	-	16,492,892
Fines & Forfeitures	654,500	-	-	-	650,000	-	-	-	-	2,340,000	-	3,644,500
Use of Money & Prop.	239,600	2,000	2,000	2,300	1,800	3,000	-	973,220	-	900	252,700	1,477,520
Charges for Serv.	6,104,240	10,386,100	8,797,300	5,163,720	400,000	3,235,500	-	20,000	-	-	-	34,106,860
Licenses & Permits	2,386,000	-	-	-	-	250,000	-	-	-	-	-	2,636,000
Other Revenue	4,770,290	53,000	15,000	408,900	-	8,000	83,670	-	-	-	-	5,338,860
<b>Total Revenue</b>	64,989,030	10,441,100	8,814,300	5,574,920	1,508,100	3,496,500	83,670	993,220	454,072	2,340,900	252,700	98,948,512
Transfers In	-	455,490	-	39,060	500,000	-	-	-	-	-	4,700,000	5,694,550
<b>Total Resources</b>	64,989,030	10,896,590	8,814,300	5,613,980	2,008,100	3,496,500	83,670	993,220	454,072	2,340,900	4,952,700	104,643,062
Use of Reserves *	-	-	282,360	525,390	469,890	107,310	214,370	328,410	-	-	459,300	2,387,030
<b>TOTAL</b>	64,989,030	10,896,590	9,096,660	6,139,370	2,477,990	3,603,810	298,040	1,321,630	454,072	2,340,900	5,412,000	107,030,092

\* Use of Reserves refers to the appropriation of fund balance or working capital balance.

**TABLE 3-2. FY 2013 Use of Funds by Category**

	General (110)	Water (210)	Sewer (220)	Refuse (230)	Parking (320)	SWM (330)	RedGate (340)	Spec. Act. (350)	CDBG (360)	Speed (380)	Debt Serv. (550)	Total for All Funds
<b>Operating Exp.</b>												
Personnel	41,834,890	3,387,080	1,518,550	2,597,190	260,900	1,881,700	155,830	-	85,530	399,650	-	52,121,320
Operating	12,031,180	1,935,650	3,556,940	1,963,270	185,350	789,670	-	389,330	368,542	1,000,290	-	22,220,222
Capital Outlay	487,500	66,940	50,000	29,810	-	-	-	832,000	-	-	-	1,466,250
Administrative	-	1,020,210	552,540	997,120	134,040	617,100	-	-	-	226,790	-	3,547,800
Other	1,496,400	2,224,800	2,225,840	339,200	472,710	304,970	132,790	100,300	-	120,000	-	7,417,010
<b>Total Operating Exp.</b>	55,849,970	8,634,680	7,903,870	5,926,590	1,053,000	3,593,440	288,620	1,321,630	454,072	1,746,730	-	86,772,602
<b>Other Uses of Funds</b>												
Principal	-	-	-	-	-	-	-	-	-	-	3,675,000	3,675,000
Interest	-	847,880	878,180	71,900	1,424,990	10,370	9,420	-	-	-	1,737,000	4,979,740
Capital Improvements	3,900,000	-	-	-	-	-	-	-	-	-	-	3,900,000
Transfers Out	5,239,060	-	314,610	140,880	-	-	-	-	-	-	-	5,694,550
<b>Total Other Uses</b>	9,139,060	847,880	1,192,790	212,780	1,424,990	10,370	9,420	-	-	-	5,412,000	18,249,290
<b>Total Use of Funds</b>	64,989,030	9,482,560	9,096,660	6,139,370	2,477,990	3,603,810	298,040	1,321,630	454,072	1,746,730	5,412,000	105,021,892
Addition to Reserves *	-	1,414,030	-	-	-	-	-	-	-	594,170	-	2,008,200
<b>TOTAL</b>	64,989,030	10,896,590	9,096,660	6,139,370	2,477,990	3,603,810	298,040	1,321,630	454,072	2,340,900	5,412,000	107,030,092

\* Addition to Reserves refers to the addition to fund balance or working capital balance.

**TABLE 3-3. Reserve Levels**

	General (110)	Water (210)	Sewer (220)	Refuse (230)	Parking (320)	SWM (330)	RedGate (340)	Spec. Act. (350)	CDBG (360)	Speed (380)	Debt Serv. (550) **	Total for All Funds
Required Reserve Target	15% of Rev.	90 day	90 day	30 day	30 day	90 day	30 day	N/A*	N/A*	N/A*	Average Prin.	N/A
Required Reserve Level	9,748,355	2,370,640	2,274,165	511,614	206,499	900,953	N/A*	N/A*	N/A*	N/A*	2,478,144	18,490,370
Projected 6/30/13 Reserve	10,615,853	(12,599,524)	(6,466,486)	2,008,113	1,703,154	67,179	(280,649)	3,824,664	-	847,068	2,440,400	2,159,772

\* The City does not have a policy about maintaining a balance in these funds because they are legally restricted revenue sources or are under an operating lease agreement with a private company.

\*\* The required reserve is equal to the average annual outstanding principal amount due on the City's general debt.

# All Funds Summary - Operating by Department

**TABLE 3-4. FY 2013 Resources by Department**

	General (110)	Water (210)	Sewer (220)	Refuse (230)	Parking (320)	SWM (330)	RedGate (340)	Spec. Act. (350)	CDBG (360)	Speed (380)	Debt Serv. (550)	Total for All Funds
Mayor and Council	-	-	-	-	-	-	-	-	-	-	-	-
City Attorney	-	-	-	-	-	-	-	-	-	-	-	-
City Manager	71,040	-	-	-	-	-	-	671,000	-	-	-	742,040
CPDS	1,773,500	-	-	-	-	-	-	-	454,072	-	-	2,227,572
Finance	-	-	-	-	-	-	-	-	-	-	-	-
Human Resources	-	-	-	-	-	-	-	-	-	-	-	-
Information Technology	838,280	-	-	-	-	-	-	-	-	-	-	838,280
Police	2,077,500	-	-	-	1,050,000	-	-	-	-	2,340,000	-	5,467,500
Public Works**	193,140	15,000	15,000	408,900	-	8,000	-	208,060	-	-	-	848,100
Recreation & Parks **	5,904,460	-	-	-	-	-	-	442,570	-	-	-	6,347,030
Non-Departmental	54,131,110	10,881,590	8,799,300	5,205,080	958,100	3,488,500	83,670	-	-	900	4,952,700	88,500,950
<b>Total Resources</b>	64,989,030	10,896,590	8,814,300	5,613,980	2,008,100	3,496,500	83,670	1,321,630	454,072	2,340,900	4,952,700	104,971,472
Use of Reserves * **	-	-	282,360	525,390	469,890	107,310	214,370	-	-	-	459,300	2,058,620
<b>TOTAL</b>	64,989,030	10,896,590	9,096,660	6,139,370	2,477,990	3,603,810	298,040	1,321,630	454,072	2,340,900	5,412,000	107,030,092

\* Use of Reserves refers to the appropriation of fund balance or working capital balance.

\*\* \$328,410 in use of reserves or fund balance that is appropriated for the Special Activities Fund is included within the respective department's budgeted revenue.

**TABLE 3-5. FY 2013 Use of Funds by Department**

	General (110)	Water (210)	Sewer (220)	Refuse (230)	Parking (320)	SWM (330)	RedGate (340)	Spec. Act. (350)	CDBG (360)	Speed (380)	Debt Serv. (550)	Total for All Funds
Mayor and Council	600,010	-	-	-	-	-	-	-	-	-	-	600,010
City Attorney	965,570	-	-	-	-	-	-	-	-	-	-	965,570
City Manager	4,246,050	-	-	-	-	-	-	671,000	-	-	-	4,917,050
CPDS	4,499,420	-	-	-	-	-	-	-	454,072	-	-	4,953,492
Finance	2,621,120	781,170	-	-	-	-	-	-	-	-	-	3,402,290
Human Resources	1,416,240	-	-	-	-	-	-	-	-	-	-	1,416,240
Information Technology	2,979,250	-	-	-	-	-	-	-	-	-	-	2,979,250
Police	8,979,480	-	-	-	330,240	-	-	-	-	1,355,210	-	10,664,930
Public Works	7,048,470	4,429,730	5,006,590	4,445,080	6,740	2,549,700	-	208,060	-	8,740	-	23,703,110
Recreation & Parks	20,213,200	-	-	-	23,940	-	-	442,570	-	-	-	20,679,710
Non-Departmental	11,420,220	4,271,660	4,090,070	1,694,290	2,117,070	1,054,110	298,040	-	-	382,780	5,412,000	30,740,240
<b>Total Use of Funds</b>	64,989,030	9,482,560	9,096,660	6,139,370	2,477,990	3,603,810	298,040	1,321,630	454,072	1,746,730	5,412,000	105,021,892
Addition to Reserves *	-	1,414,030	-	-	-	-	-	-	-	594,170	-	2,008,200
<b>TOTAL</b>	64,989,030	10,896,590	9,096,660	6,139,370	2,477,990	3,603,810	298,040	1,321,630	454,072	2,340,900	5,412,000	107,030,092

\* Addition to Reserves refers to the addition to fund balance or working capital balance.

# All Funds Summary - Operating Revenue

The tables presented on this page summarize revenues by major category and by department for all funds combined.

**TABLE 3-6. All Funds Revenues by Category**

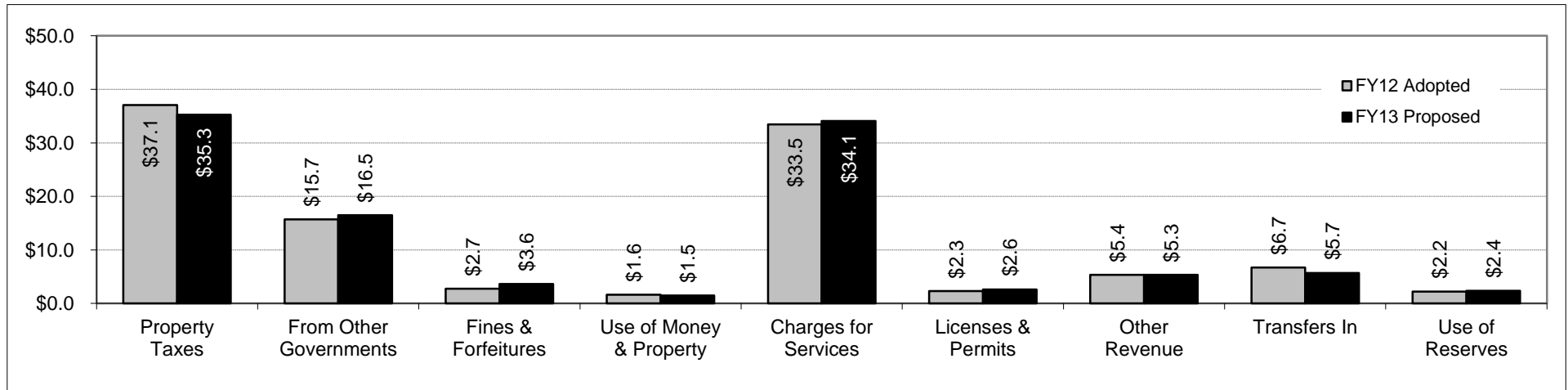
	Actual FY11	Adopted FY12	Proposed FY13	% Change
<b>Operating Revenue</b>				
Property Taxes	35,464,867	37,058,000	35,251,880	-4.9%
From Other Gov't.	16,820,262	15,704,000	16,492,892	5.0%
Fines & Forfeitures	4,201,965	2,737,000	3,644,500	33.2%
Use of Money & Prop.	1,089,196	1,624,090	1,477,520	-9.0%
Charges for Serv.	31,622,580	33,460,090	34,106,860	1.9%
Licenses & Permits	2,532,905	2,301,000	2,636,000	14.6%
Other Revenue	7,905,304	5,351,170	5,338,860	-0.2%
<b>Total Revenue</b>	<b>99,637,079</b>	<b>98,235,350</b>	<b>98,948,512</b>	<b>0.7%</b>
Transfers In	9,116,875	6,729,340	5,694,550	-15.4%
<b>Total Resources</b>	<b>108,753,954</b>	<b>104,964,690</b>	<b>104,643,062</b>	<b>-0.3%</b>
Use of Reserves	-	2,244,740	2,387,030	6.3%
<b>TOTAL</b>	<b>108,753,954</b>	<b>107,209,430</b>	<b>107,030,092</b>	<b>-0.2%</b>

**TABLE 3-7. All Funds Revenues by Department**

	Actual FY11	Adopted FY12	Proposed FY13	% Change
Mayor and Council	-	-	-	N/A
City Attorney	-	-	-	N/A
City Manager	649,448	579,670	742,040	28.0%
CPDS	1,851,769	2,366,500	2,227,572	-5.9%
Finance	-	-	-	N/A
Human Resources	-	-	-	N/A
Information Technology	690,610	820,100	838,280	2.2%
Police	7,105,753	4,440,000	5,467,500	23.1%
Public Works *	1,313,233	472,480	848,100	79.5%
Recreation & Parks *	6,962,727	7,569,440	6,347,030	-16.1%
Non-Departmental	90,180,414	89,045,550	88,500,950	-0.6%
<b>Total Resources</b>	<b>108,753,954</b>	<b>105,293,740</b>	<b>104,971,472</b>	<b>-0.3%</b>
Use of Reserves *	-	1,915,690	2,058,620	7.5%
<b>TOTAL</b>	<b>108,753,954</b>	<b>107,209,430</b>	<b>107,030,092</b>	<b>-0.2%</b>

\* Any use of reserves or fund balance that is appropriated for the Special Activities Fund is included within the respective department's budgeted revenue.

**GRAPH 3-1. All Funds Revenues by Category (in millions)**



# All Funds Summary - Operating Expenditures

The tables presented on this page summarize expenditures by major category and by department for all funds combined.

**TABLE 3-8. All Funds Expenditures by Category**

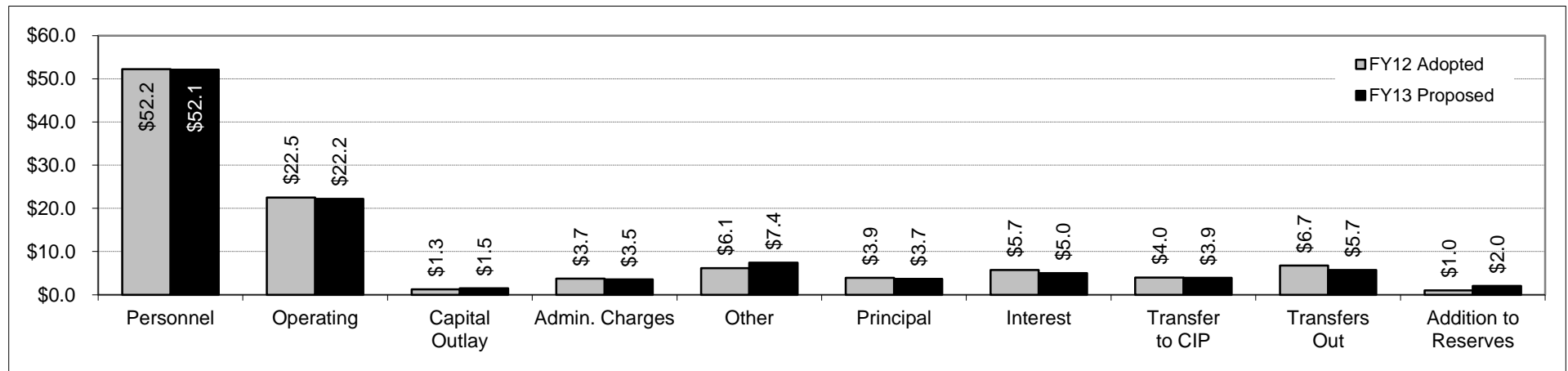
	Actual FY11	Adopted FY12	Proposed FY13	% Change
<b>Operating Exp.</b>				
Personnel	50,016,325	52,244,720	52,121,320	-0.2%
Operating	23,507,895	22,517,320	22,220,222	-1.3%
Capital Outlay	2,972,838	1,257,210	1,466,250	16.6%
Administrative	4,247,310	3,710,070	3,547,800	-4.4%
Other	6,644,599	6,142,670	7,417,010	20.7%
Total Operating Exp.	87,388,967	85,871,990	86,772,602	1.0%
<b>Other Uses of Funds</b>				
Principal	4,670,896	3,924,000	3,675,000	-6.3%
Interest	4,754,211	5,712,970	4,979,740	-12.8%
Capital Improvements	3,856,000	3,967,000	3,900,000	-1.7%
Transfers Out	9,116,875	6,729,340	5,694,550	-15.4%
Total Other Uses	22,397,982	20,333,310	18,249,290	-10.2%
<b>Total Use of Funds</b>	<b>109,786,949</b>	<b>106,205,300</b>	<b>105,021,892</b>	<b>-1.1%</b>
Addition to Reserves	-	1,004,130	2,008,200	100.0%
<b>TOTAL</b>	<b>109,786,949</b>	<b>107,209,430</b>	<b>107,030,092</b>	<b>-0.2%</b>

**TABLE 3-9. All Funds Expenditures by Department**

	Actual FY11	Adopted FY12	Proposed FY13	% Change
Mayor and Council	592,004	640,910	600,010	-6.4%
City Attorney	865,526	947,740	965,570	1.9%
City Manager	4,570,736	4,814,790	4,917,050	2.1%
CPDS	4,189,039	4,875,670	4,953,492	1.6%
Finance	3,224,642	3,377,110	3,402,290	0.7%
Human Resources	1,284,194	1,551,210	1,416,240	-8.7%
Information Technology	2,808,869	2,994,260	2,979,250	-0.5%
Police	10,673,269	10,297,530	10,664,930	3.6%
Public Works	23,059,854	22,738,460	23,703,110	4.2%
Recreation & Parks	22,629,301	21,915,950	20,679,710	-5.6%
Non-Departmental	29,405,493	26,255,670	25,328,240	-3.5%
<b>Total Use of Funds</b>	<b>103,302,927</b>	<b>100,409,300</b>	<b>99,609,892</b>	<b>-0.8%</b>
Debt Service Fund *	6,484,022	5,796,000	5,412,000	-6.6%
Addition to Reserves	-	1,004,130	2,008,200	100.0%
<b>TOTAL</b>	<b>109,786,949</b>	<b>107,209,430</b>	<b>107,030,092</b>	<b>-0.2%</b>

\* The Debt Service Fund receives a transfer from the General Fund to pay off general obligation debt. Since this transfer is already listed as an expenditure in Non-Departmental, there is a double-counting effect when the Debt Service Fund records the same expenditure. For this reason, the Debt Service Fund is isolated.

**GRAPH 3-2. All Funds Expenditures by Category (in millions)**



# Governmental Funds - General Fund

The General Fund is the primary operating fund of the City and is used to account for the City's activities that are not included in another fund. Many of the City administrative functions are supported through this fund. The major revenue sources for the General Fund are property tax, income tax, hotel tax, tax duplication payments from Montgomery County, and charges or user fees for services.

Throughout this section there are full descriptions of significant General Fund revenues. Any major changes between Adopted FY 2012 and Proposed FY 2013 are discussed, along with applicable trend data. The City's largest revenue source in the General Fund comes from property taxes. Real and personal property tax rates and estimated assessed values are described in detail on pages 3-8 and 3-9.

**TABLE 3-10. General Fund Revenues by Category**

	Actual FY11	Adopted FY12	Proposed FY13	% Change
Property Taxes	34,412,039	36,895,000	35,090,580	-4.9%
From Other Gov't.	15,751,436	14,816,000	15,743,820	6.3%
Fines & Forfeitures	766,882	645,000	654,500	1.5%
Use of Money & Prop.	236,720	405,900	239,600	-41.0%
Charges for Serv.	5,932,617	6,132,610	6,104,240	-0.5%
Licenses & Permits	2,404,046	2,261,000	2,386,000	5.5%
Other Revenue	5,766,946	4,887,370	4,770,290	-2.4%
<b>Subtotal</b>	<b>65,270,686</b>	<b>66,042,880</b>	<b>64,989,030</b>	<b>-1.6%</b>
Use of Reserves	-	-	-	0.0%
<b>Total</b>	<b>65,270,686</b>	<b>66,042,880</b>	<b>64,989,030</b>	<b>-1.6%</b>

**TABLE 3-11. General Fund Expenditures by Category**

	Actual FY11	Adopted FY12	Proposed FY13	% Change
Salaries	29,170,240	30,026,210	29,817,430	-0.7%
Benefits	9,601,558	10,704,140	11,248,500	5.1%
Overtime	965,545	875,970	786,210	-10.2%
<b>Personnel Subtotal</b>	<b>39,737,343</b>	<b>41,606,320</b>	<b>41,852,140</b>	<b>0.6%</b>
Contractual Services	6,686,427	7,088,580	6,798,080	-4.1%
Commodities	4,660,465	5,273,420	5,233,100	-0.8%
<b>Operating Subtotal</b>	<b>11,346,892</b>	<b>12,362,000</b>	<b>12,031,180</b>	<b>-2.7%</b>
Capital Outlay	720,667	511,250	487,500	-4.6%
Other / Transfer	4,967,393	2,496,310	2,018,210	-19.2%
Contribution to CIP	3,856,000	3,967,000	3,900,000	-1.7%
Debt Service Transfer	5,200,000	5,100,000	4,700,000	-7.8%
<b>Total</b>	<b>65,828,295</b>	<b>66,042,880</b>	<b>64,989,030</b>	<b>-1.6%</b>

# Governmental Funds - General Fund

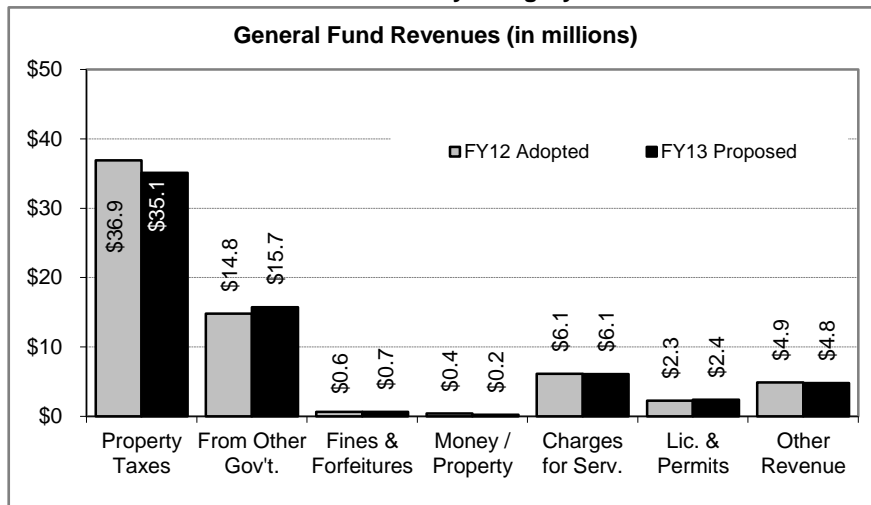
**TABLE 3-12. General Fund Revenues by Department**

	Actual FY11	Adopted FY12	Proposed FY13	% Change
Mayor and Council	-	-	-	N/A
City Attorney	-	-	-	N/A
City Manager	69,724	71,040	71,040	0.0%
CPDS	1,622,994	1,773,500	1,773,500	0.0%
Finance	-	-	-	N/A
Human Resources	-	-	-	N/A
Information Technology	690,610	820,100	838,280	2.2%
Police	2,368,449	1,948,000	2,077,500	6.6%
Public Works	363,069	198,800	193,140	-2.8%
Recreation & Parks	5,901,124	5,923,560	5,904,460	-0.3%
Non-Departmental	54,254,716	55,307,880	54,131,110	-2.1%
<b>Subtotal</b>	<b>65,270,686</b>	<b>66,042,880</b>	<b>64,989,030</b>	<b>-1.6%</b>
Use of Reserves	-	-	-	0.0%
<b>Total</b>	<b>65,270,686</b>	<b>66,042,880</b>	<b>64,989,030</b>	<b>-1.6%</b>

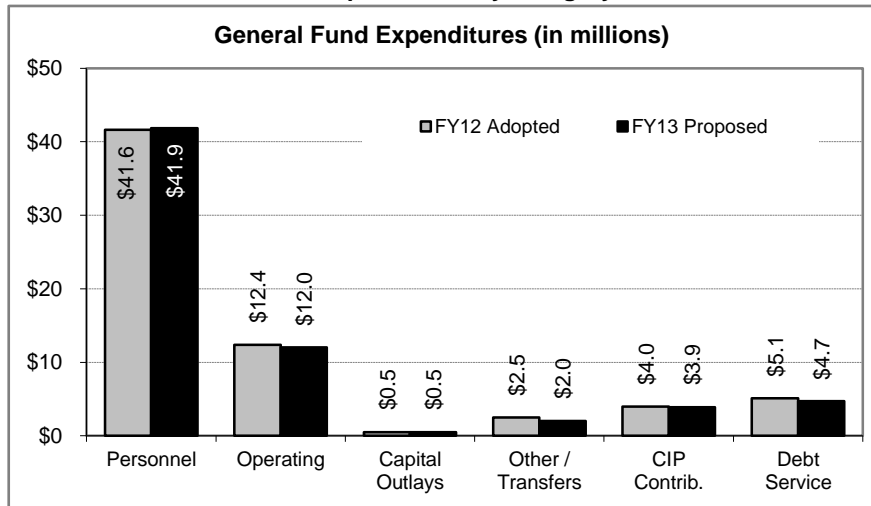
**TABLE 3-13. General Fund Expenditures by Department**

	Actual FY11	Adopted FY12	Proposed FY13	% Change
Mayor and Council	592,004	640,910	600,010	-6.4%
City Attorney	865,526	947,740	965,570	1.9%
City Manager	4,040,017	4,306,160	4,246,050	-1.4%
CPDS	3,991,054	4,282,670	4,499,420	5.1%
Finance	2,474,409	2,615,030	2,621,120	0.2%
Human Resources	1,284,194	1,551,210	1,416,240	-8.7%
Information Technology	2,808,869	2,994,260	2,979,250	-0.5%
Police	9,038,079	8,972,740	8,979,480	0.1%
Public Works	6,574,860	7,017,500	7,048,470	0.4%
Recreation & Parks	19,462,794	20,060,090	20,213,200	0.8%
Non-Departmental	14,696,489	12,654,570	11,420,220	-9.8%
<b>Total</b>	<b>65,828,295</b>	<b>66,042,880</b>	<b>64,989,030</b>	<b>-1.6%</b>

**GRAPH 3-3. General Fund Revenues by Category**



**GRAPH 3-4. General Fund Expenditures by Category**



# General Fund Revenues, Detail of Major Revenue Sources

## Real and Personal Property Taxes

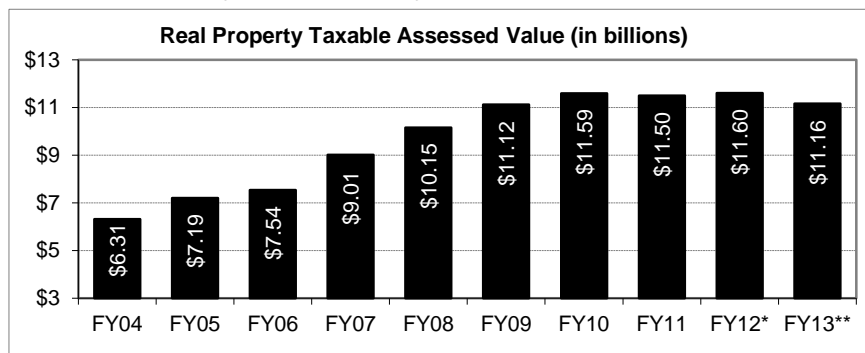
This category of revenue consists of taxes on the assessed value of real estate (including land and structures on the land) and taxes on the assessed value of personal property (inventory, furniture, and fixtures of business establishments). The tax rate is the amount levied per \$100 of assessed value, as determined by the State of Maryland Department of Assessments and Taxation. The Mayor and Council establish the tax rate each year in order to finance General Fund activities. In FY 2013, total property taxes are budgeted to constitute approximately 54 percent of the City's General Fund budget.

## Real Property Tax

The City of Rockville's proposed real property tax rate for FY 2013 totals \$0.292 for every \$100 of assessed value. The State Department of Assessments and Taxation (SDAT) reassesses real property every three years, and tax bills are based on those assessments. For homeowners, any increase to assessed value is phased in equally over a three-year period, and the resulting increase in the property tax bill is capped at 10 percent (any decrease is fully factored into the first full levy year after the assessment).

The total real taxable assessed value from FY 2012 to FY 2013 is estimated to decrease by 4 percent. This decrease is due to properties being reassessed January 2012 and properties that appealed their assessments during FY 2011. The next round of property reassessments will take place in January 2013.

**GRAPH 3-5. History of Real Property Taxable Assessed Values**



\* The FY12 assessed value was adjusted downward mid-FY12 to reflect actual revenues received.

\*\* The total taxable assessed value for FY13 includes \$17.6 million from properties that pay a reduced tax rate of \$0.049. These properties include the Woodmont County Club and several properties in King Farm. Under the City's current annexation agreements, these properties will remain in this reduced tax class until they change ownership or until the agreements expire. The agreement with Woodmont was signed in 1964 and expires in 2014, and the agreement with King Farm was signed in 1995 and expires in 2015.

## Real Property Tax Constant Yield Tax Rate

In accordance with Maryland law, the constant yield tax rate is defined as the property tax rate that would yield the same tax revenue as the previous year, not including new construction. When assessments increase and the tax rate remains unchanged, property tax revenue increases. Conversely, when assessments decrease and the tax rate remains unchanged, property tax revenue decreases. *The constant yield rate is the rate that would offset the change in tax revenue that results from the change in assessed value.* For FY 2013, the constant yield rate was calculated by the State to be \$0.3098 per \$100 of assessed value, or 6 percent higher than the City's property tax rate of \$0.292. In accordance with Maryland law, since the constant yield tax rate is higher than the City's tax rate, the City will not advertise the constant yield tax rate nor hold a public hearing.

## Real Property Tax Assumptions

The FY 2013 budget for taxes on real property is based on the following information sources and assumptions:

- The calculation of the assessed value begins with an estimate prepared by SDAT of the assessed value of all real property that will be on the tax rolls as of the beginning of FY 2013, based on assessment information from January 2012.
- The City adds its estimate of the value of residential and commercial development that would be completed and assessed during the remainder of FY 2012 and throughout FY 2013.
- The revenue estimate is based on multiplying the assessed value by the tax rate, taking into consideration when new property is levied, the impact of appeals and late payments, and the possibility of less than anticipated growth.

## Real Property Tax Credit

The FY 2013 estimated real property tax revenue of \$31.6 million includes the City's Homeowners' Tax Credit Program. The Homeowners' Tax Credit Program is a State administered program that provides real property tax credits to low- to moderate-income residents for property taxes due on their principal residence. The City's FY 2013 Program has been expanded, to include households with gross incomes up to \$91,000 per year and a household net worth of less than \$200,000 (not including the value of the home and qualified retirement savings) could qualify for tax relief on the first \$495,000 of their home's assessed value. For low-income households, the credit could be several hundred dollars with the maximum credit totaling the City tax due on the first \$495,000 of assessed value.



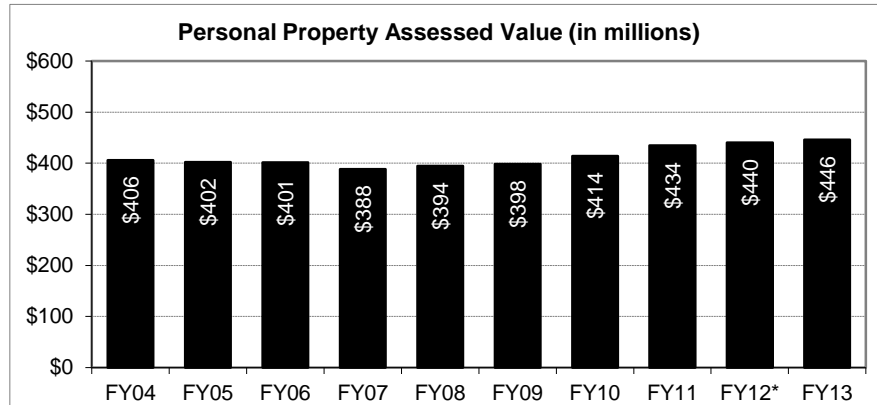
# General Fund Revenues, Detail of Major Revenue Sources

## Personal Property Tax

The City of Rockville's FY 2013 personal property tax rate remains unchanged at \$0.805 cents per \$100 of assessed value. In accordance with Maryland law, the personal property tax only applies to businesses. The City has enacted the following exemptions from personal property tax: (1) 82 percent of the value of commercial inventory; (2) 82 percent of the value of manufacturing or research and development inventory; and (3) 100 percent of the value of manufacturing or research and development machinery.

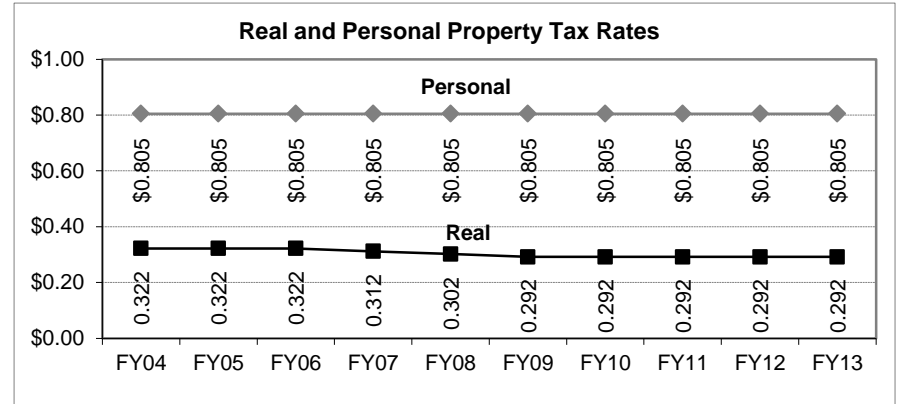
Over the past few years the total taxable assessed value of personal property in the City of Rockville has remained relatively flat, mainly due to the number of businesses that focus on technology. Computers and other types of high tech equipment depreciate more rapidly leading to decreases in the overall assessed value for personal property. The FY 2013 budget assumes the taxable assessed value will increase by approximately 1.0 percent from the FY 2012 estimate.

**GRAPH 3-6. History of Personal Property Taxable Assessed Values**



\* The FY12 assessed value was adjusted upward mid-FY12 to reflect actual revenues received.

**GRAPH 3-7. History of Real and Personal Property Tax Rates**



**TABLE 3-14. Property Tax Revenue Summary**

	Actual FY11	Adopted FY12	Proposed FY13	% Change
Real Property Tax (pg. 3-8)	30,739,537	33,750,000	31,645,580	-6.2%
Personal Property (pg. 3-9)	3,530,651	3,045,000	3,345,000	9.9%
Interest on Taxes - Interest on delinquent taxes	141,851	100,000	100,000	0.0%
<b>Total</b>	<b>34,412,039</b>	<b>36,895,000</b>	<b>35,090,580</b>	<b>-4.9%</b>

# General Fund Revenues, Detail of Major Revenue Sources

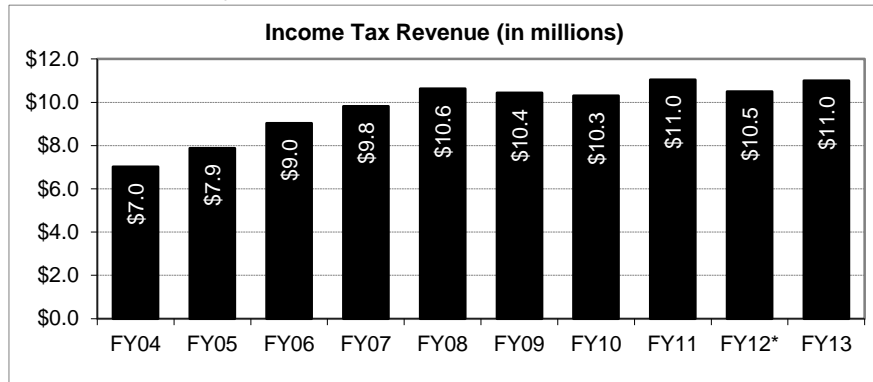
## Revenue From Other Governments

### Income Tax

Income tax revenue is the second largest source of revenue to the General Fund. Income tax revenue consists of the City's share of income taxes received by the State of Maryland for returns filed from Rockville. Maryland counties are able to impose an income tax that is separate from the State income tax. In accordance with Maryland law, municipalities receive 17 percent of collected county income taxes. Montgomery County's income tax rate is currently 3.2 percent.

Total income tax revenue remains relatively strong despite high unemployment and a decrease in personal earnings due to low interest rates. The total income tax for FY 2011 equaled over \$11 million, the highest the City has ever received. The City's estimate for FY 2013 is \$11 million.

**GRAPH 3-8. History of Income Tax Revenue**



\* FY12 was adopted at \$10 million and amended up to \$10.5 million in March/April 2012.

### Tax Duplication

This revenue is received from Montgomery County as a partial reimbursement for tax duplication. Several factors, such as number of streetlights, the number of street miles maintained by the City, and what the County spends each year on tax duplication services, determine what the City receives each year. In FY 2011, Montgomery County elected to reduce the City's share of tax duplication by 15 percent due to budget constraints. For the FY 2013 proposed budget, the City's share from the County remained flat. The formula that determines each jurisdiction's share is currently being studied by Montgomery County.

### Highway User

Highway User Revenue (HUR) represents a portion of the City's share of gasoline tax and vehicle registrations collected by the State of Maryland. During FY 2010, the State of Maryland's Board of Public Works decreased the municipal share of HUR by 90 percent or \$2.16 million for the City of Rockville (HUR was adopted at \$2.4 million for FY 2010). This reduced contribution continued into FY 2011. Rockville's contribution for FY 2012 equaled \$709,800, which was significantly higher than FY 2011. In Winter 2012, staff learned from the State Highway Administration that Rockville's contribution would be \$480,530 for FY 2013, a 32 percent decrease from FY 2012.

### Police Protection

This revenue consists of an annual operating grant from the State of Maryland to the City of Rockville to assist with funding police protection services. During FY 2010, the State of Maryland's Board of Public Works voted to decrease the municipal share of police protection aid by 35 percent, or \$217,000 for the City of Rockville (police protection was adopted at \$620,000 for FY 2010). This reduction was part of a larger package aimed at addressing the State's budget shortfall in FY 2010 and FY 2011. Recently the City was notified by the State that this revenue source will continue to remain flat at the reduced level for FY 2013.

### Admissions and Amusement Tax

The admissions and amusement tax is a local tax collected by the State of Maryland Comptroller's Office for jurisdictions in Maryland. The tax is imposed on the gross receipts from admissions, the use or rental of recreational or sports equipment and the sale of merchandise, refreshments or services at a place where entertainment is provided. Admissions and amusement tax rates are imposed by county and municipal governments at varying rates up to 10 percent of gross receipts from taxable activities. If the gross receipts from the activity is also subject to the sales and use tax, the admissions and amusement tax is limited to 5 percent. The general admission and amusement tax rate for the City of Rockville is 10 percent. Rockville receives that largest amount of admissions and amusement tax revenue from motion pictures, athletic facilities, and skating. For the past several years, total revenue has remained at approximately \$1.0 million. This revenue is paid to the City on a quarterly basis.

### Cable Franchise Fees and Operating Grant

Cable franchise fees include franchise fees and operating grants paid to the City by Comcast and Verizon. In the State of Maryland, cable companies pay a franchise fee as partial compensation for the use of public rights-of-way under authority of federal law. This revenue is paid to the City on a quarterly basis.

# General Fund Revenues, Detail of Major Revenue Sources

## County Grant - Linkages to Learning

This County grant funds a program at Maryvale Elementary School to provide accessible services to at-risk children and their families to improve adjustment to and performance in school, home, and community. Services include health, mental health, social services and educational support.

## Youth and Family Services Grant

This grant comes from the County Department of Health and Human Services and Collaboration Council for Children, Youth, and Families. This grant supports core services for at-risk youth, including formal counseling, crisis intervention and substance abuse assessments. In addition, this grant helps fund school- and community-based youth development and mentoring programs.

**TABLE 3-15. Revenue from Other Governments Summary**

	Actual FY11	Adopted FY12	Proposed FY13	% Change
Income Tax (pg. 3-10)	11,048,348	10,000,000	11,000,000	10.0%
Tax Duplication (pg. 3-10)	1,894,182	1,799,110	1,800,000	0.0%
Highway User (pg. 3-10)	233,163	709,800	480,530	-32.3%
Police Protection Grant (pg. 3-10)	417,386	417,000	417,000	0.0%
Admissions and Amusement Tax (pg. 3-10)	988,169	1,000,000	1,000,000	0.0%
Cable Franchise Fees and Operating Grant (pg. 3-10)	601,398	574,190	720,530	25.5%
County Grant - Linkages to Learning (pg. 3-11)	170,184	172,500	172,500	0.0%
Youth and Family Services Grant (pg. 3-11)	117,350	93,950	93,950	0.0%
Recreation Grants	34,498	20,000	29,860	49.3%
Traffic Signal Maintenance Reimbursement - From the State for maintenance	17,949	6,600	6,600	0.0%
Payment in Lieu of Taxes - From Montgomery County in lieu of taxes	13,266	13,300	13,300	0.0%
Miscellaneous Grants	215,543	9,550	9,550	00.0%
<b>Total</b>	<b>15,751,436</b>	<b>14,816,000</b>	<b>15,743,820</b>	<b>6.3%</b>

## Fines and Forfeitures

Revenues received from red light camera infractions make up most of this category. The revenues from the red light camera citations cover the total cost to operate the program. Revenue from red light cameras is estimated to remain relatively flat from adopted FY 2012 to proposed FY 2013.

**TABLE 3-16. Fines and Forfeitures Summary**

	Actual FY11	Adopted FY12	Proposed FY13	% Change
Municipal Infractions - Revenues received from fines for municipal infractions	14,187	10,000	12,000	20.0%
Red Light Camera Revenue - Revenue received from fines for red light infractions (pg. 3- 11)	743,194	630,000	637,500	1.2%
Confiscated Funds - Items seized by City Police during commission of a crime	9,501	5,000	5,000	0.0%
<b>Total</b>	<b>766,882</b>	<b>645,000</b>	<b>654,500</b>	<b>1.5%</b>

## Use of Money and Property

### Land Rental

Land rental, the largest revenue in this category, is estimated to decrease due to fewer vendors requesting space on monopolies. The City collects revenues from monopolies located at the Glen Mill Pump Station and RedGate Golf Course.

**TABLE 3-17. Use of Money and Property Summary**

	Actual FY11	Adopted FY12	Proposed FY13	% Change
Interest Earnings - Interest on the investment of City funds	27,519	50,000	10,600	-78.8%
Returned Check Fee	1,330	600	1,300	116.7%
Land Rental (pg. 3-11)	158,936	316,950	188,790	-40.4%
Building Rental - From the rental of City buildings	48,935	38,350	38,910	1.5%
<b>Total</b>	<b>236,720</b>	<b>405,900</b>	<b>239,600</b>	<b>-41.0%</b>

# General Fund Revenues, Detail of Major Revenue Sources

## Charges for Services

### Recreation Program Fees

This revenue source consists of all program fees and charges related to City recreation programs. This includes but is not limited to camps, classes, outdoor recreation, and childcare.

### Zoning Fees

This revenue source is specific to the Community Planning and Development Services Department and consists of fees paid by developers, property owners or their representatives. The fees are paid for planning and development review services to ensure that new development of private property is consistent, and compliant with, the City's Comprehensive Master Plan, Zoning Ordinance and all applicable Codes and policies. This revenue source will remain flat between adopted FY 2012 and proposed FY 2013.

### Community Charges

This revenue source is specific to the Police Department and consists of charges for community requests for police presence at community events and at local businesses.

### Fire Safety and Fire Review Fees

These revenue sources are specific to the Department of Community Planning and Development Services and consist of charges for fire inspections and permits, as well as from fire code plans reviews.

### Public Works Permits

This revenue source is specific to the Department of Public Works and consists of fees paid by contractors for design review and inspection services for work within the City's rights-of-way.

### Swim Team Dues

This revenue source consists of dues paid by the Rockville-Montgomery Swim Club (RMSC) team. The RMSC team is operated as a joint program between the City's Department of Rec. and Parks and the Montgomery County Rec. Department.

### Membership Fees

This revenue source consists of fees for memberships to the City's recreational facilities. This includes but is not limited to memberships at the Twinbrook, Lincoln Park, and Thomas Farm community centers.

### Facility Rental Fees

This revenue source consists of fees paid for the rental of City facilities. This includes but is not limited to rentals at the Civic Center, Swim and Fitness Center, and the Twinbrook, Lincoln Park, and Thomas Farm community centers.

## Theme Park Tickets

This revenue source is related to the sale of tickets to area theme parks through the Maryland Recreation and Parks Association. The City purchases the tickets at a discounted rate and sells them to City residents at that discounted rate (cost neutral to the City).

## F. Scott Fitzgerald Theatre Tickets

This revenue source represents annual ticket sales at the F. Scott Fitzgerald Theatre.

## Swim and Fitness Center Charges

This revenue is received from admission charges to the City's Swim and Fitness Center, and from merchandise sales at the Center.

**TABLE 3-18. Charges for Services Summary**

	Actual FY11	Adopted FY12	Proposed FY13	% Change
Rec. Program Fees (pg. 3-12)	2,648,150	2,764,330	2,696,080	-2.5%
Zoning Fees (pg. 3-12)	136,198	193,500	193,500	0.0%
Community Charges (pg. 3-12)	94,793	120,000	120,000	0.0%
Sale of Materials - revenues from City publications	22,163	20,000	20,000	0.0%
Fire Safety Fees (pg. 3-12)	81,916	100,000	100,000	0.0%
Fire Review Fees (pg. 3-12)	94,592	75,000	75,000	0.0%
Public Works Permits (pg. 3-12)	170,436	160,000	160,000	0.0%
Swim Team Dues (pg. 3-12)	286,161	315,000	317,300	0.7%
Membership Fees (pg. 3-12)	748,743	771,000	786,190	2.0%
Concessions - Revenue received at City facilities	11,493	12,500	13,300	6.4%
Facility Rental Fees (pg. 3-12)	813,765	760,800	773,240	1.6%
Social Services Fees - Senior Center Social Services fees	16,243	18,800	18,800	0.0%
Special Events Fees - Corporate sponsorships	82,062	65,150	75,150	15.3%
Theme Park Tickets (pg. 3-12)	105,524	110,000	110,000	0.0%
F. Scott Fitzgerald Theatre Tickets (pg. 3-12)	298,582	313,000	313,000	0.0%
Internal Use of Facilities - Revenue from internal use of City facilities	29,046	26,030	26,480	1.7%
Swim & Fitness Center (pg. 3-12)	292,750	307,500	306,200	-0.4%
<b>Total</b>	<b>5,932,617</b>	<b>6,132,610</b>	<b>6,104,240</b>	<b>-0.5%</b>

# General Fund Revenues, Detail of Major Revenue Sources

## Licenses and Permits

### Building Permits

Building permits are the largest source of revenue in this category, and are estimated to remain flat between adopted FY 2012 and proposed FY 2013. This revenue source is specific to the Department of Community Planning and Development Services and consists of revenue received from permits issued for building construction, electrical work, plumbing, sewer, water, and gas.

### Rental Licenses

Rental licenses is the second largest source of revenue in this category, and is currently estimated to increase by \$120,000 from \$730,000 in FY 2012 to \$850,000 in FY 2013. Rental licenses are specific to the Police Department and consist of licensing fees for the inspection of single- and multi-family dwelling units and hotels. The FY 2013 revenue figure is based on the estimated number of licenses that will be renewed or obtained during FY 2013.

### Other Licenses

This revenue source is specific to the Department of Community Planning and Development Services and the Police Department, and mainly consists of revenue received from licenses issued to master electricians, plumbers, and gasfitters.

**TABLE 3-19. Licenses and Permits Summary**

	Actual FY11	Adopted FY12	Proposed FY13	% Change
Traders Licenses - Fees collected from local businesses by the State and returned to the City	102,118	90,000	95,000	5.6%
Building Permits (pg. 3-13)	1,191,107	1,295,000	1,295,000	0.0%
Rental Licenses (pg. 3-13)	957,205	730,000	850,000	16.4%
Animal Licenses - From the sale of dog / cat licenses to owners within the City	33,564	28,000	30,000	7.1%
Other Licenses (pg. 3-13)	120,052	118,000	116,000	-1.7%
<b>Total</b>	<b>2,404,046</b>	<b>2,261,000</b>	<b>2,386,000</b>	<b>5.5%</b>

## Other Revenue / Administrative Charges

### Hotel Tax

This revenue source consists of the City's share of tax levied on a person who pays for a room or space at a hotel. FY 2009 was the first year the 2 percent hotel tax was levied. For FY 2012 and FY 2013, the City anticipates approximately \$950,000 in hotel tax revenue, which is relatively consistent with the actual revenues from FY 2011.

### Administrative Charges

These charges represent centrally budgeted administrative or "overhead" costs. Each fund pays for its share of the costs through a transfer to the General Fund. An update to the City's Cost Allocation Plan (CAP), the document that determines the charges, was adopted in FY 2010. The results of the CAP update showed that the administrative charges should be increased across all existing funds and should be added to the Town Center Management District (TCMD) and Speed Camera funds. For FY 2013, all funds increased by 1.0 percent consistent with the City's annual cost of living adjustment except for TCMD which was eliminated in FY 2012 (operations being managed by FRIT), and RedGate which was eliminated for FY 2013 (operations being managed by Billy Casper Golf).

**TABLE 3-20. Other Revenue / Administrative Charges Summary**

	Actual FY11	Adopted FY12	Proposed FY13	% Change
Community Contribution - From individuals / groups for programs	111,345	83,600	78,000	-6.7%
Hotel Tax (pg. 3-13)	919,303	950,000	950,000	0.0%
Sale of Auctioned Vehicles	63,342	32,200	26,540	-17.6%
Miscellaneous Revenues	420,024	91,000	147,700	62.3%
Miscellaneous Grant Revenue	5,392	20,000	20,000	0.0%
Recreation Fees (Swim)	230	500	250	-50.0%
Water Admin. Charge (pg. 3-13)	1,000,110	1,010,110	1,020,210	1.0%
Sewer Admin. Charge (pg. 3-13)	541,650	547,070	552,540	1.0%
Refuse Admin. Charge (pg. 3-13)	977,470	987,250	997,120	1.0%
Parking Admin. Charge (pg. 3-13)	656,980	132,710	134,040	1.0%
SWM Admin. Charge (pg. 3-13)	604,940	610,990	617,100	1.0%
Golf Admin. Charge (pg. 3-13)	165,750	197,400	N/A	-100.0%
TCMD Admin. Charge (pg. 3-13)	78,090	N/A	N/A	N/A
Speed Admin. Charge (pg. 3-13)	222,320	224,540	226,790	1.0%
<b>Total</b>	<b>5,766,946</b>	<b>4,887,370</b>	<b>4,770,290</b>	<b>-2.4%</b>

# Enterprise Funds - Water Fund

Enterprise funds are used to account for operations financed and operated in a manner similar to private business enterprises where the cost of expenses, including both operations and capital, are financed or recovered from the users of the services rather than general taxpayers. The City of Rockville, through the Financial Management Policies, has designated the following operations as enterprise funds: Water, Sewer, Refuse, Stormwater Management, Parking and RedGate Golf Course.

The goals in setting the City's utility rates are low rates over time, while covering all operating and capital expenses and maintaining required reserves. The City establishes rates on a multi-year basis to maintain consistency and reduce volatility. In order to set the rates the City uses cash flow models that take into account factors such as future changes in operating expenses, debt obligations, and changes in revenues.

## Water Fund

The Water Fund is used to account for all financial activity associated with the treatment and distribution of potable water. The City provides water service to 70 percent of the City, or approximately 13,000 accounts. In FY 2009 the City started a major water line replacement program, which is estimated to replace over 34 miles of water lines. The Water Main Rehabilitation project can be found on page 89 of the City's FY 2013 CIP.

In order to continue to fund the capital and operating expenses necessary to support the City's water system, the water usage rates will increase by 8 percent for FY 2013. The Water Fund currently is forecast to be in a negative situation. Planned increases of 8 percent a year through the projection period are needed to bring the fund back to a positive balance. The FY 2013 rates are as follows: \$4.68 per 1,000 gallons for the first 12,000 gallons used in the quarter, \$6.73 per 1,000 gallons for the next 12,000 gallons used in the quarter, and \$7.23 per 1,000 gallons for usage beyond 24,000 gallons. In addition to the usage rates, the FY 2013 budget will continue with a ready-to-serve charge that is split between the Water and Sewer funds. The amount of the charge is based on the size of the water meter and ranges from \$8.10 to \$972.00 per quarter, an increase of 20 percent over FY 2012.

Revenue projections for the Water Fund are based upon the City's growth forecast regarding development planned for future years. The number of planned and current water accounts is then multiplied by the estimated rates for the fund. Water Fund utility revenues, which consists of utility charges, connections, and penalties, are projected to total \$10.4 million for FY 2013.

**TABLE 3-21. Water Fund Revenues by Category**

	Actual FY11	Adopted FY12	Proposed FY13	% Change
Sales of Materials	13,090	5,000	10,000	100.0%
Utility Charges	7,784,926	9,500,000	10,306,100	8.5%
Penalties	73,848	60,000	60,000	0.0%
Transfer From Sewer	308,400	311,490	314,610	1.0%
Transfer From Refuse	138,100	139,480	140,880	1.0%
Misc. Revenue	81,951	31,500	43,000	36.5%
Connection Charges	59,792	20,000	20,000	0.0%
Interest Income	1,377	34,000	2,000	-94.1%
<b>Subtotal</b>	<b>8,461,484</b>	<b>10,101,470</b>	<b>10,896,590</b>	<b>7.9%</b>
Use of Reserves	-	-	-	N/A
<b>Total</b>	<b>8,461,484</b>	<b>10,101,470</b>	<b>10,896,590</b>	<b>7.9%</b>

**TABLE 3-22. Water Fund Expenses by Category**

	Actual FY11	Adopted FY12	Proposed FY13	% Change
Salaries	2,295,691	2,393,370	2,341,400	-2.2%
Benefits	806,346	923,110	909,730	-1.4%
Overtime	230,567	155,610	135,950	-12.6%
<b>Personnel Subtotal</b>	<b>3,332,604</b>	<b>3,472,090</b>	<b>3,387,080</b>	<b>-2.4%</b>
Contractual Services	2,290,399	561,380	504,000	-10.2%
Commodities	1,345,988	1,716,350	1,431,650	-16.6%
<b>Operating Subtotal</b>	<b>3,636,387</b>	<b>2,277,730</b>	<b>1,935,650</b>	<b>-15.0%</b>
Capital Outlay	83,963	71,200	66,940	-6.0%
Administrative Charge	1,000,110	1,010,110	1,020,210	1.0%
Other / Transfers*	1,540,246	1,715,000	2,224,800	29.7%
Debt Service (Interest)	832,692	971,120	847,880	-12.7%
<b>Subtotal</b>	<b>10,426,002</b>	<b>9,517,250</b>	<b>9,482,560</b>	<b>-0.4%</b>
Addition to Reserves	-	584,220	1,414,030	142.0%
<b>Total</b>	<b>10,426,002</b>	<b>10,101,470</b>	<b>10,896,590</b>	<b>7.9%</b>

\* Includes depreciation and amortization.

# Enterprise Funds - Water Fund

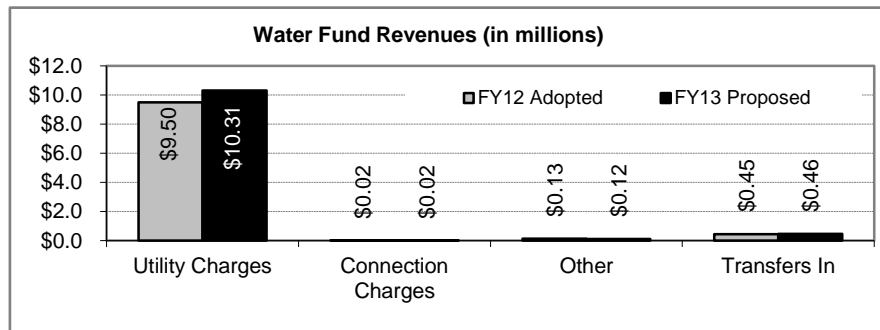
**TABLE 3-23. Water Fund Revenues by Department**

	Actual FY11	Adopted FY12	Proposed FY13	% Change
Public Works	8,015	3,500	15,000	328.6%
Non-Departmental	8,453,469	10,097,970	10,881,590	7.8%
<b>Total</b>	<b>8,461,484</b>	<b>10,101,470</b>	<b>10,896,590</b>	<b>7.9%</b>

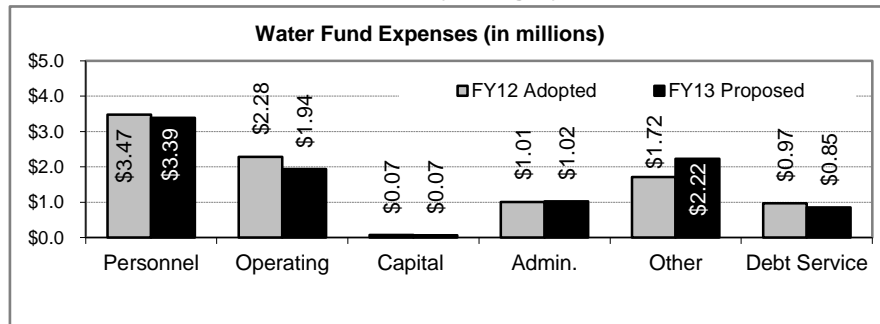
**TABLE 3-24. Water Fund Expenses by Department**

	Actual FY11	Adopted FY12	Proposed FY13	% Change
Finance	750,233	762,080	781,170	2.5%
Public Works	6,183,058	4,840,190	4,429,730	-8.5%
Non-Departmental	3,492,711	3,914,980	4,271,660	9.1%
<b>Total</b>	<b>10,426,002</b>	<b>9,517,250</b>	<b>9,482,560</b>	<b>-0.4%</b>

**GRAPH 3-9. Water Fund Revenues by Category**

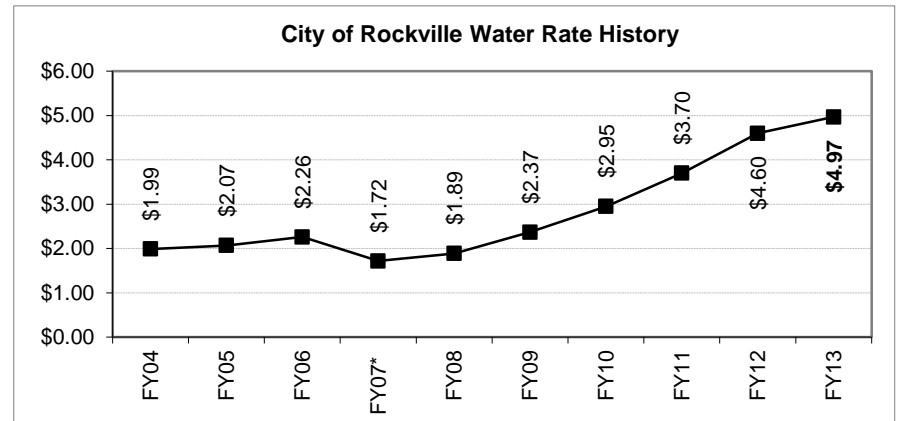


**GRAPH 3-10. Water Fund Expenses by Category**



## Supplemental Information:

**GRAPH 3-11. History of Rockville Water Rates.** The rates shown below represent the usage charge per 1,000 gallons, assuming an average usage of 14,000 gallons per quarter. For FY 2013, Rockville will also charge a flat fee of \$12.17 per quarter for households with a 3/4 inch meter (see table below). Approximately 30 percent of Rockville residents do not receive water service from the City, but are serviced by the Washington Suburban Sanitary Commission's (WSSC) water system.



\* FY07 was the first year the City changed the rate structure from a flat rate to tiered rates based on usage.

**TABLE 3-25. FY 2013 Ready-to-Serve Charge.** The table below reflects the fixed quarterly charge that is based on meter size. The charge is split evenly between Water and Sewer funds.

Meter Size	FY12	FY13	Increase
5/8"	\$6.75	\$8.10	20%
3/4"	\$10.14	\$12.17	20%
1"	\$16.89	\$20.27	20%
1 1/2"	\$33.75	\$40.50	20%
2"	\$54.00	\$64.80	20%
3"	\$108.00	\$129.60	20%
4"	\$168.75	\$202.50	20%
6"	\$337.50	\$405.00	20%
8"	\$540.00	\$648.00	20%
10"	\$810.00	\$972.00	20%

# Enterprise Funds - Sewer Fund

## Sewer Fund

The Sewer Fund accounts for the financial activity associated with the collection and delivery of sewage for treatment and disposal. Charges are based on water consumption. Nearly all of the capital costs in the Sewer Fund, and a substantial portion of the operating costs, are payments for the operation of and capital improvements to the District of Columbia Water and Sewer Authority's (DCWASA) Blue Plains Advanced Wastewater Treatment Plant. The City's share of Blue Plains' capital improvements is proportionate to the City's allocation of treatment capacity. The Blue Plains Wastewater Treatment CIP project contains additional information regarding the City's capital costs for sewer treatment.

The Sewer Fund budget for FY 2013 is based on a sewer charge of \$5.73 per 1,000 gallons. This is an increase of \$0.47 or 9 percent over the FY 2012 adopted rate of \$5.26 per 1,000 gallons. The Sewer Fund currently is forecast to be in a negative situation. Planned increases of 9 percent a year through FY 2014 and then 6 percent per year through FY 2018 are needed to bring the fund back to a positive balance. In addition to the sewer charge, users pay a ready-to-serve charge that is split equally between the Water and Sewer funds. The amount of the charge is based on the size of the water meter and ranges from \$8.10 to \$972.00 per quarter, an increase of 20 percent over the FY 2012.

Revenue projections for the Sewer Fund are based upon the City's growth forecast regarding development planned for future years. The number of planned and current sewer accounts is then multiplied by the estimated rates for the fund. Sewer Fund utility revenues, which consist of utility charges, connections, and penalties, are projected to total \$8.8 million for FY 2013.

**TABLE 3-26. Sewer Fund Revenues by Category**

	Actual FY11	Adopted FY12	Proposed FY13	% Change
Utility Charges	6,982,877	8,000,000	8,717,300	9.0%
Penalties	64,585	60,000	60,000	0.0%
Connection Charges	63,700	20,000	20,000	0.0%
Interest Income	-	4,000	-	-100.0%
Premium on Bonds Sold	13,471	-	-	N/A
Other	1,491	3,000	17,000	466.7%
<b>Subtotal</b>	<b>7,126,124</b>	<b>8,087,000</b>	<b>8,814,300</b>	<b>9.0%</b>
Use of Reserves	-	-	282,360	N/A
<b>Total</b>	<b>7,126,124</b>	<b>8,087,000</b>	<b>9,096,660</b>	<b>12.5%</b>

**TABLE 3-27. Sewer Fund Expenses by Category**

	Actual FY11	Adopted FY12	Proposed FY13	% Change
Salaries	972,100	1,033,410	1,032,230	-0.1%
Benefits	359,518	386,100	407,520	5.5%
Overtime	107,832	87,550	78,800	-10.0%
<b>Personnel Subtotal</b>	<b>1,439,450</b>	<b>1,507,060</b>	<b>1,518,550</b>	<b>0.8%</b>
Contractual Services	2,524,617	2,596,710	3,330,110	28.2%
Commodities	141,231	213,230	226,830	6.4%
<b>Operating Subtotal</b>	<b>2,665,848</b>	<b>2,809,940</b>	<b>3,556,940</b>	<b>26.6%</b>
Capital Outlays	7,443	70,340	50,000	-28.9%
Administrative Charge	541,650	547,070	552,540	1.0%
Other / Transfers *	2,311,461	1,821,490	2,540,450	39.5%
Debt Service (Interest)	725,658	1,141,280	878,180	-23.1%
<b>Subtotal</b>	<b>7,691,510</b>	<b>7,897,180</b>	<b>9,096,660</b>	<b>15.2%</b>
Addition to Reserves	-	189,820	-	-100.0%
<b>Total</b>	<b>7,691,510</b>	<b>8,087,000</b>	<b>9,096,660</b>	<b>12.5%</b>

\* Includes depreciation and amortization, and a transfer of \$314,610 to the Water Fund.



# Enterprise Funds - Sewer Fund

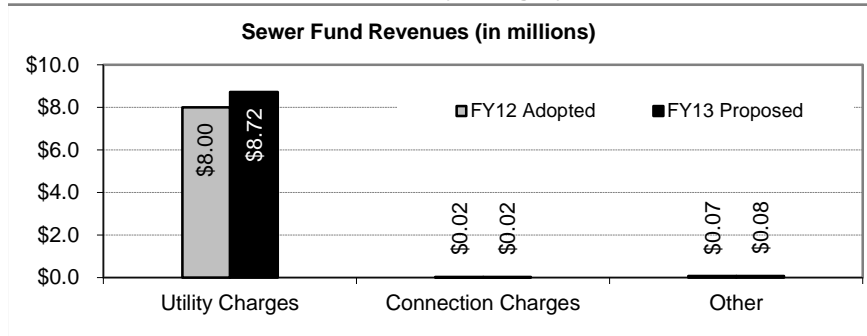
**TABLE 3-28. Sewer Fund Revenues by Department**

	Actual FY11	Adopted FY12	Proposed FY13	% Change
Public Works	-	3,000	15,000	400.0%
Non-Departmental	7,126,124	8,084,000	8,799,300	8.8%
<b>Total</b>	<b>7,126,124</b>	<b>8,087,000</b>	<b>8,814,300</b>	<b>9.0%</b>

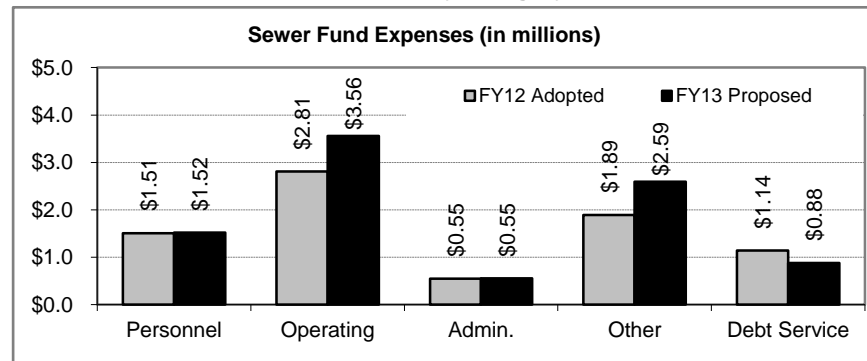
**TABLE 3-29. Sewer Fund Expenses by Department**

	Actual FY11	Adopted FY12	Proposed FY13	% Change
Public Works	4,071,295	4,256,940	5,006,590	17.6%
Non-Departmental	3,620,215	3,640,240	4,090,070	12.4%
<b>Total</b>	<b>7,691,510</b>	<b>7,897,180</b>	<b>9,096,660</b>	<b>15.2%</b>

**GRAPH 3-12. Sewer Fund Revenues by Category**

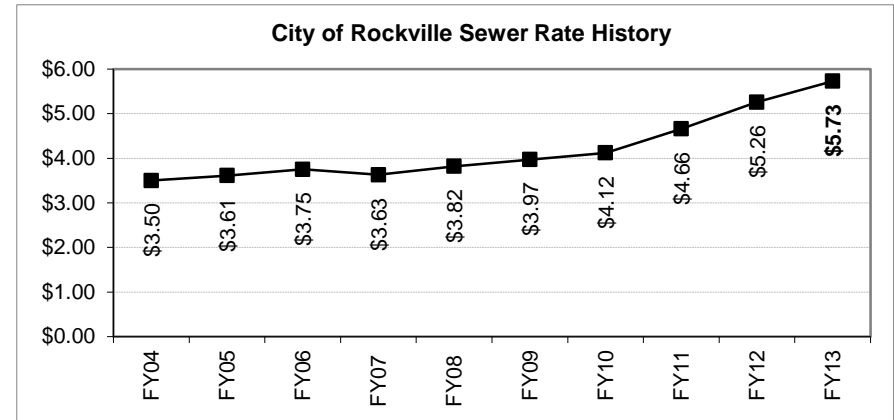


**GRAPH 3-13. Sewer Fund Expenses by Category**



## Supplemental Information:

**GRAPH 3-14. History of Rockville Sewer Rates.** The rates shown below represent the usage charge per 1,000 gallons. Rockville also charges a flat fee that is \$12.17 per quarter for households with a 3/4 inch meter (see table below). Approximately 30 percent of Rockville residents do not receive sewer service from the City, but are serviced by the Washington Suburban Sanitary Commission's (WSSC) sewer system.



**TABLE 3-30. FY 2013 Ready-to-Serve Charge.** The table below reflects the fixed quarterly charge that is based on meter size. The charge is split evenly between Water and Sewer funds.

Meter Size	FY12	FY13	Increase
5/8"	\$6.75	\$8.10	20%
3/4"	\$10.14	\$12.17	20%
1"	\$16.89	\$20.27	20%
1 1/2"	\$33.75	\$40.50	20%
2"	\$54.00	\$64.80	20%
3"	\$108.00	\$129.60	20%
4"	\$168.75	\$202.50	20%
6"	\$337.50	\$405.00	20%
8"	\$540.00	\$648.00	20%
10"	\$810.00	\$972.00	20%

# Enterprise Funds - Refuse Fund

## Refuse Fund

The Refuse Fund is used to account for the financial activity associated with the collection and disposal of residential recycling, refuse, and yardwaste. The FY 2013 refuse budget is based on a semi-automated once per week recycling and refuse program. The refuse rate for the FY 2013 budget will decrease by \$20 or 5.2% to \$372 per year. The semi-automated once per week system provides reduced operating expenses because less personnel, contractual services, commodities, and vehicles and equipment are needed. Because of these reduced operating expenses, the rate remained the same between FY 2008 and FY 2012 and will decrease in FY 2013.

Revenue projections for the Refuse Fund are based upon the City's growth forecast regarding development planned for future years. The number of planned and current refuse accounts is multiplied by the estimated rates for the fund. Refuse Fund revenue is projected to be \$5.6 million for FY 2013, net of interest income and transfer from the General Fund.

The Refuse Fund is stable and has sufficient reserves. There is no anticipated future debt and rates charged to customers are projected to remain low over the five year planning period.

**TABLE 3-31. Refuse Fund Revenues by Category**

	Actual FY11	Adopted FY12	Proposed FY13	% Change
Customer Charges	5,406,543	5,450,000	5,100,120	-6.4%
Penalties	71,424	60,000	63,600	6.0%
Interest Income	2,843	25,000	2,300	-90.8%
Transfer General Fund *	41,200	41,200	39,060	-5.2%
Premium on Bonds Sold	3,026	-	-	0.0%
Sale of Materials	474,270	122,600	408,900	233.5%
<b>Subtotal</b>	<b>5,999,306</b>	<b>5,698,800</b>	<b>5,613,980</b>	<b>-1.5%</b>
Use of Reserves	-	310,070	525,390	69.4%
<b>Total</b>	<b>5,999,306</b>	<b>6,008,870</b>	<b>6,139,370</b>	<b>2.2%</b>

\* Supports refuse pickup for Rockville Housing Enterprises (RHE) housing units.

**TABLE 3-32. Refuse Fund Expenses by Category**

	Actual FY11	Adopted FY12	Proposed FY13	% Change
Salaries	1,391,330	1,758,190	1,753,750	-0.3%
Benefits	662,153	747,200	727,350	-2.7%
Overtime	231,946	144,860	116,090	-19.9%
<b>Personnel Subtotal</b>	<b>2,285,429</b>	<b>2,650,250</b>	<b>2,597,190</b>	<b>-2.0%</b>
Contractual Services	1,490,317	1,365,380	1,566,760	14.7%
Commodities	260,059	412,670	396,510	-3.9%
<b>Operating Subtotal</b>	<b>1,750,376</b>	<b>1,778,050</b>	<b>1,963,270</b>	<b>10.4%</b>
Capital Outlays	19,444	15,040	29,810	98.2%
Administrative Charge	977,470	987,250	997,120	1.0%
Other / Transfers *	437,533	491,480	480,080	-2.3%
Debt Service (Interest)	100,415	86,800	71,900	-17.2%
<b>Subtotal</b>	<b>5,570,667</b>	<b>6,008,870</b>	<b>6,139,370</b>	<b>2.2%</b>
Addition to Reserves	-	-	-	0.0%
<b>Total</b>	<b>5,570,667</b>	<b>6,008,870</b>	<b>6,139,370</b>	<b>2.2%</b>

\* Includes depreciation and amortization, and a transfer of \$140,880 to the Water Fund.

# Enterprise Funds - Refuse Fund

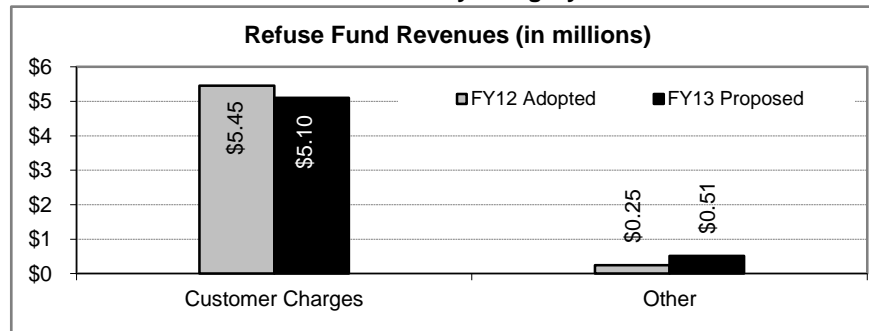
**TABLE 3-33. Refuse Fund Revenues by Department**

	Actual FY11	Adopted FY12	Proposed FY13	% Change
Public Works	474,270	122,600	408,900	233.5%
Non-Departmental	5,525,036	5,576,200	5,205,080	-6.7%
<b>Total</b>	<b>5,999,306</b>	<b>5,698,800</b>	<b>5,613,980</b>	<b>-1.5%</b>

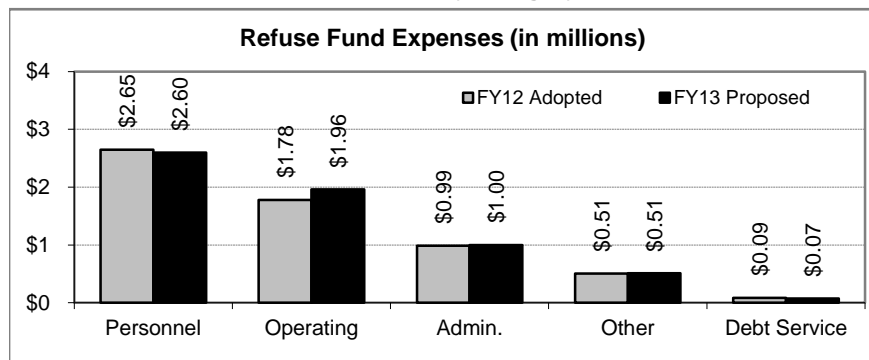
**TABLE 3-34. Refuse Fund Expenses by Department**

	Actual FY11	Adopted FY12	Proposed FY13	% Change
Public Works	3,974,752	4,278,740	4,445,080	3.9%
Non-Departmental	1,595,915	1,730,130	1,694,290	-2.1%
<b>Total</b>	<b>5,570,667</b>	<b>6,008,870</b>	<b>6,139,370</b>	<b>2.2%</b>

**GRAPH 3-15. Refuse Fund Revenues by Category**

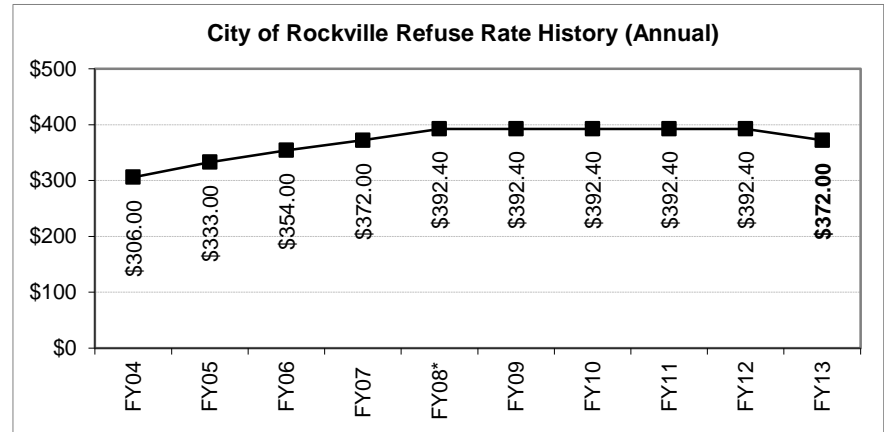


**GRAPH 3-16. Refuse Fund Expenses by Category**



## Supplemental Information:

**GRAPH 3-17. History of Rockville Refuse Rates**



\* FY08 was the first year the City implemented a semi-automated once per week recycling and refuse program. The semi-automated once per week system provides reduced operating expenses because less personnel, contractual services, commodities, and vehicles and equipment are needed. Because of these reduced operating expenses, the rate has remained the same since implementation and will decrease in FY 2013.

# Enterprise Funds - Parking Fund

## Parking Fund

The Parking Fund was created to account for the revenue and expenses from parking related activities, including the issuance of parking tickets, the parking meter program, and costs associated with the building of the three public parking garages in the City's Town Center.

The FY 2013 budget for the Parking Fund incorporates the leasing of the Town Square garage operations to Federal Realty Investment Trust (FRIT) the commercial developer of Town Square. The City entered into an agreement to enable FRIT to manage, operate and re-equip the garages under a long-term lease, which will save taxpayers millions of dollars. The start date of the new lease was September 1, 2011. Under the arrangement, FRIT is responsible for setting the rates both for hourly parking and for monthly parking in the garages and for all capital improvements and renovations during the term of the lease.

In order for the City to enter into the lease agreement, the City was required to defease the current tax-exempt debt and then issue taxable debt at higher borrowing rates. The increased costs are offset in part by the annual lease revenue along with a share of any net income that FRIT is able to generate from operating the garages. Another change in the Parking Fund budget is a reduction in the transfer from the City's General Fund from over \$1 million in FY 2011 to \$500,000 starting in FY 2012 and continuing into FY 2013 and future years.

As a result of the lease, the FY 2013 budget represents only operational costs for on-street meters along with the payment of debt service on the garages.

**TABLE 3-35. Parking Fund Revenues by Category**

	Actual FY11	Adopted FY12	Proposed FY13	% Change
Real Property Tax	160,703	163,000	161,300	-1.0%
County Contribution	294,681	295,000	295,000	0.0%
Parking Meters	1,302,221	400,000	400,000	0.0%
Parking Violations	983,460	700,000	650,000	-7.1%
Interest Earnings / Other	6,424	15,000	1,800	-88.0%
Building Rental	-	300,000	-	-100.0%
From General Fund	1,030,000	500,000	500,000	0.0%
<b>Subtotal</b>	<b>3,777,489</b>	<b>2,373,000</b>	<b>2,008,100</b>	<b>-15.4%</b>
Use of Reserves	-	664,640	469,890	-29.3%
<b>Total</b>	<b>3,777,489</b>	<b>3,037,640</b>	<b>2,477,990</b>	<b>-18.4%</b>

**TABLE 3-36. Parking Fund Expenses by Category**

	Actual FY11	Adopted FY12	Proposed FY13	% Change
Salaries	227,247	186,370	179,840	-3.5%
Benefits	106,339	79,910	76,560	-4.2%
Overtime	5,203	5,000	4,500	-10.0%
<b>Personnel Subtotal</b>	<b>338,789</b>	<b>271,280</b>	<b>260,900</b>	<b>-3.8%</b>
Contractual Services	751,330	90,110	140,790	56.2%
Commodities	120,394	145,840	44,560	-69.4%
<b>Operating Subtotal</b>	<b>871,724</b>	<b>235,950</b>	<b>185,350</b>	<b>-21.4%</b>
Capital Outlays	-	-	-	N/A
Administrative Charge	656,980	132,710	134,040	1.0%
Other / Transfers *	752,295	766,500	472,710	-38.3%
Debt Service (Interest)	1,384,156	1,631,200	1,424,990	-12.6%
<b>Subtotal</b>	<b>4,003,944</b>	<b>3,037,640</b>	<b>2,477,990</b>	<b>-18.4%</b>
Addition to Reserves	-	-	-	N/A
<b>Total</b>	<b>4,003,944</b>	<b>3,037,640</b>	<b>2,477,990</b>	<b>-18.4%</b>

\* Includes depreciation, bond amortization, amortization of deferred loss on lease and \$60,000 for unrecoverable parking citations.

# Enterprise Funds - Parking Fund

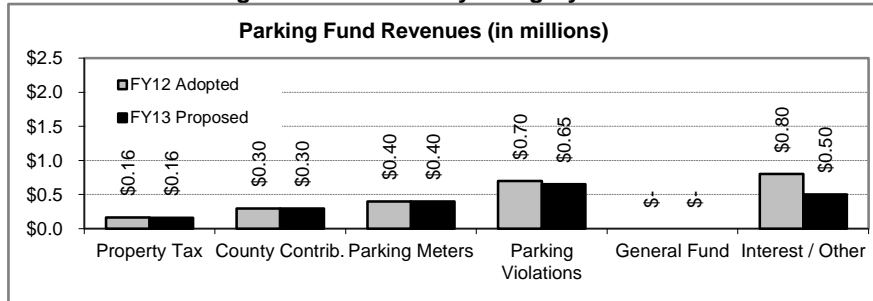
**TABLE 3-37. Parking Fund Revenues by Department**

	Actual FY11	Adopted FY12	Proposed FY13	% Change
Police	2,285,681	1,100,000	1,050,000	-4.5%
Non-Departmental	1,491,808	1,273,000	958,100	-24.7%
<b>Total</b>	<b>3,777,489</b>	<b>2,373,000</b>	<b>2,008,100</b>	<b>-15.4%</b>

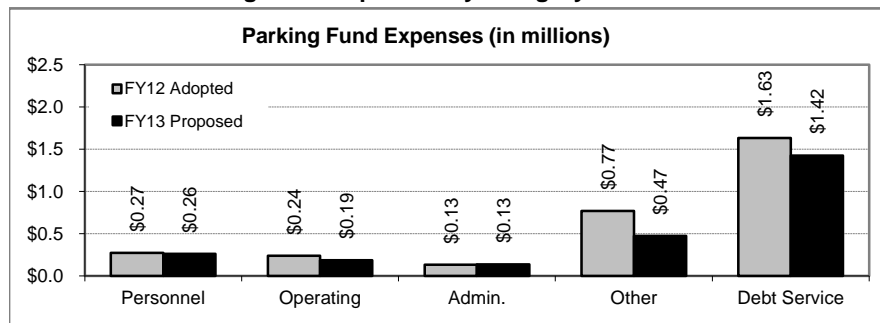
**TABLE 3-38. Parking Fund Expenses by Department**

	Actual FY11	Adopted FY12	Proposed FY13	% Change
Police	359,057	335,770	330,240	-1.6%
Public Works	5,030	8,050	6,740	-16.3%
Recreation and Parks	783,691	22,010	23,940	8.8%
Non-Departmental	2,856,166	2,671,810	2,117,070	-20.8%
<b>Total</b>	<b>4,003,944</b>	<b>3,037,640</b>	<b>2,477,990</b>	<b>-18.4%</b>

**GRAPH 3-18. Parking Fund Revenues by Category**

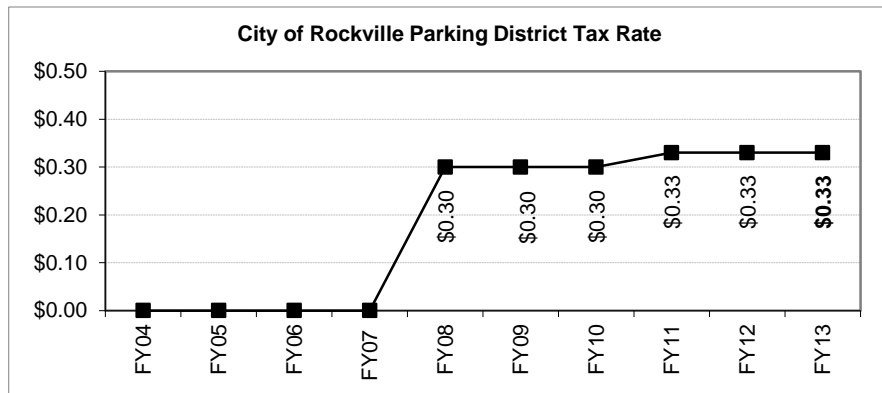


**GRAPH 3-19. Parking Fund Expenses by Category**

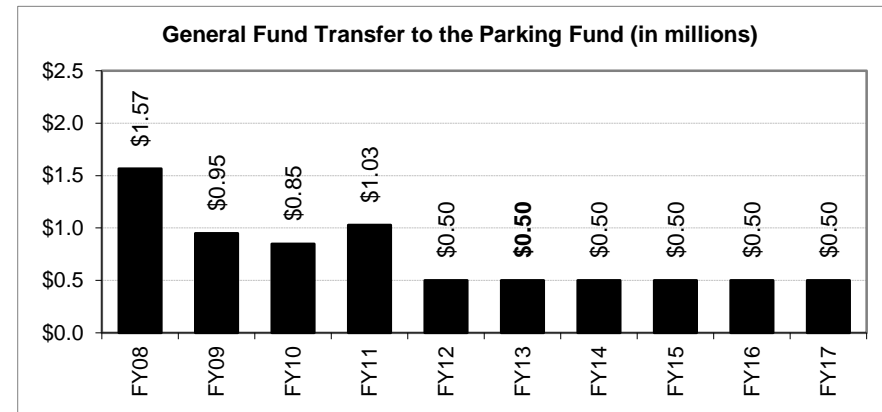


## Supplemental Information:

**GRAPH 3-20. History of Town Square Parking District Tax Rate.** FY08 was the first year the City levied a Parking District real property tax. Commercial properties within the Town Square boundaries pay this tax in addition to the general City property tax of \$0.292 per \$100 of assessed valuation.



**GRAPH 3-21. General Fund Transfers from FY 2008 to FY 2017.** In addition to the revenues raised by the Parking Fund, the budget includes transfers from the General Fund to support the parking enterprise. Staff recommends continuing with a General Fund transfer until parking revenues offset more Parking Fund expenses, which includes the debt service on \$36 million of bonds.



# Enterprise Funds - Stormwater Management Fund

## Stormwater Management Fund

The Stormwater Management (SWM) Fund accounts for the financial activity associated with maintaining existing SWM facilities and constructing new facilities. In FY 2008, Public Works staff recommended that a stormwater utility fee would be needed to fund Rockville's existing and expanded stormwater, storm drainage and water quality programs. Historically, new development has funded much of Rockville's stormwater management with fees imposed on developers. With few opportunities for new development, new funding sources were needed to cover new programs and the maintenance of the public stormwater infrastructure.

In FY 2008 the Mayor and Council approved an ordinance to amend the City Code to include a new Stormwater Management Utility Fee. This ordinance enables the City to charge an annual fee per Equivalent Residential Unit ("ERU"). The ERU fee for FY 2013 will equal \$78.90. This is an increase of \$16.42 or 26 percent over the FY 2012 adopted ERU fee of \$62.48. In FY13 each residential property will pay \$78.90 or one ERU per year, and each commercial property will pay \$78.90 multiplied by the number of ERUs measured on their property.

This fee level assumes that Montgomery County and Montgomery College will continue to not pay their fair share and the utility fee will need to increase in the future to compensate. In order to maintain the City's current level of services the SWM utility fee will need to increase by 62% between FY13 and FY17 and will be \$127.70 per ERU by FY17. The Mayor and Council supported a mid-range level of CIP projects and operating programs and services that include: SWM facility and storm drainage maintenance and retrofits, stream restoration, drainage improvements, sediment control, and compliance with federally mandated water quality requirements such as illicit discharge prevention and watershed education and outreach.

Revenue projections for the Stormwater Management Fund are based upon the current number of ERUs in the City, as well as the City's growth forecast regarding development planned for future years. Stormwater Management Fund revenues, which include utility fees, permits, and regional participation fees, are projected to total \$3.5 million for FY 2013.

**TABLE 3-39. SWM Fund Revenues by Category**

	Actual FY11	Adopted FY12	Proposed FY13	% Change
SWM Utility Fee	2,056,377	2,500,000	3,105,500	24.2%
SWM Permits	128,859	40,000	250,000	525.0%
Regional SWM Participation Fees	432,473	80,000	130,000	62.5%
Other / Interest Earnings	31,265	21,200	11,000	-48.1%
<b>Subtotal</b>	<b>2,648,974</b>	<b>2,641,200</b>	<b>3,496,500</b>	<b>32.4%</b>
Use of Reserves	-	544,980	107,310	-80.3%
<b>Total</b>	<b>2,648,974</b>	<b>3,186,180</b>	<b>3,603,810</b>	<b>13.1%</b>

**TABLE 3-40. SWM Fund Expenses by Category**

	Actual FY11	Adopted FY12	Proposed FY13	% Change
Salaries	1,196,274	1,328,850	1,379,420	3.8%
Benefits	481,092	481,380	495,070	2.8%
Overtime	9,112	8,010	7,210	-10.0%
<b>Personnel Subtotal</b>	<b>1,686,478</b>	<b>1,818,240</b>	<b>1,881,700</b>	<b>3.5%</b>
Contractual Services	409,990	357,430	659,560	84.5%
Commodities	62,288	129,150	130,110	0.7%
<b>Operating Subtotal</b>	<b>472,278</b>	<b>486,580</b>	<b>789,670</b>	<b>62.3%</b>
Capital Outlays	3,990	-	-	N/A
Administrative Charge	604,940	610,990	617,100	1.0%
Other / Transfers *	203,172	260,000	304,970	17.3%
Debt Service (Interest)	7,480	10,370	10,370	0.0%
<b>Subtotal</b>	<b>2,978,338</b>	<b>3,186,180</b>	<b>3,603,810</b>	<b>13.1%</b>
Addition to Reserves	-	-	-	100%
<b>Total</b>	<b>2,978,338</b>	<b>3,186,180</b>	<b>3,603,810</b>	<b>13.1%</b>

\* Includes depreciation and \$10,000 for the rainscapes rebates program.

# Enterprise Funds - Stormwater Management Fund

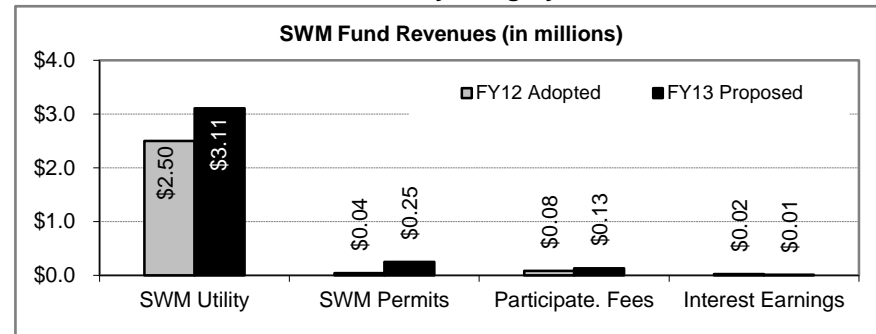
**TABLE 3-41. SWM Fund Revenues by Department**

	Actual FY11	Adopted FY12	Proposed FY13	% Change
Public Works	7,500	1,700	8,000	370.6%
Non-Departmental	2,641,474	2,639,500	3,488,500	32.2%
<b>Total</b>	<b>2,648,974</b>	<b>2,641,200</b>	<b>3,496,500</b>	<b>32.4%</b>

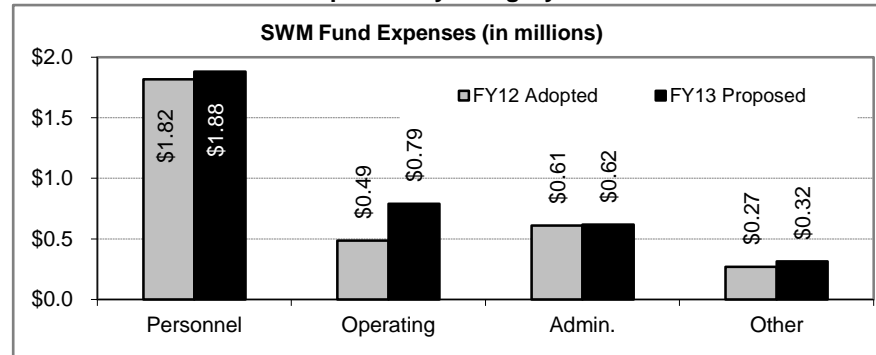
**TABLE 3-42. SWM Fund Expenses by Department**

	Actual FY11	Adopted FY12	Proposed FY13	% Change
Public Works	2,110,151	2,170,020	2,549,700	17.5%
Non-Departmental	868,187	1,016,160	1,054,110	3.7%
<b>Total</b>	<b>2,978,338</b>	<b>3,186,180</b>	<b>3,603,810</b>	<b>13.1%</b>

**GRAPH 3-22. SWM Fund Revenues by Category**

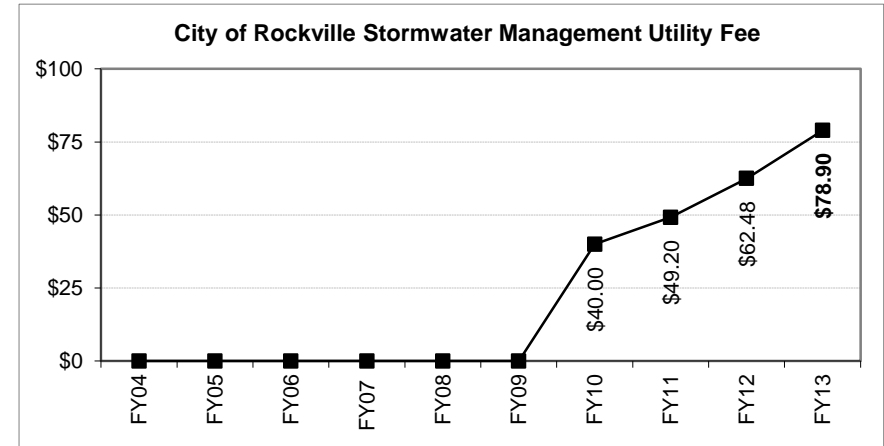


**GRAPH 3-23. SWM Fund Expenses by Category**



## Supplemental Information:

**GRAPH 3-24. History of Stormwater Management Utility Fee.** Although the Mayor and Council adopted the ordinance that enabled the fee in FY08, no fee was adopted in FY09. The expenses for the program in FY09 were funded from the Stormwater Management's reserves. FY10 was the first year the City charged a Stormwater Management utility fee.



# Enterprise Funds - RedGate Golf Course Fund

## RedGate Golf Course

The RedGate Golf Fund is used to account for the financial activity associated with the City's public golf course. In October 2011 the Mayor and Council entered into a 10 year lease with Billy Casper Golf (BCG) to begin January 1, 2012. The lease agreement enables the City to retain ownership of the golf course and continue to provide an exceptional golf program to residents. As part of the lease agreement Billy Casper Golf will pay for all operating expenses and capital improvements to the RedGate Golf Course. The City will receive fixed rental revenues, performance revenues and annual reimbursements for the outstanding golf course debt as outlined in the agreement. BCG will be operating RedGate, measuring its results and reporting on a calendar year basis. As the purpose of a separate fund is to provide resources to operate, having a separate fund should the lease continue will become less relevant. The RedGate Golf Fund should continue until all outstanding debt is repaid in FY 2023.

The FY 2013 RedGate budget includes rental and performance revenues and payments from Billy Casper Golf for the annual outstanding debt for the Golf Fund. In FY 2013 the City will incur expenses associated with severance payments to former employees, debt service, and depreciation on RedGate assets that were not disposed of during the transition to BCG.

**TABLE 3-43. RedGate Golf Fund Revenues by Category**

	Actual FY11	Adopted FY12	Proposed FY13	% Change
Golf Course Fees	679,936	863,150	-	-100.0%
Cart Rentals	182,243	237,950	-	-100.0%
Pro Shop Rental	2,750	13,470	-	-100.0%
Driving Range Fee	3,211	8,570	-	-100.0%
Concessions / Other	11,624	34,340	71,670	108.7%
Course Lease	-	-	12,000	N/A
General Fund Transfer	2,390,645	630,000	-	100.0%
<b>Subtotal</b>	<b>3,270,409</b>	<b>1,787,480</b>	<b>83,670</b>	<b>-95.3%</b>
Use of Reserves	-	-	214,370	N/A
<b>Total</b>	<b>3,270,409</b>	<b>1,787,480</b>	<b>298,040</b>	<b>-83.3%</b>

**TABLE 3-44. RedGate Golf Fund Expenses by Category**

	Actual FY11	Adopted FY12	Proposed FY13	% Change
Salaries	587,312	323,600	136,930	-57.7%
Benefits	188,695	68,840	18,900	-72.5%
Overtime	23,169	13,400	-	-100.0%
<b>Personnel Subtotal</b>	<b>799,176</b>	<b>405,840</b>	<b>155,830</b>	<b>-61.6%</b>
Contractual Services	156,881	814,800	-	-100.0%
Commodities	272,396	149,100	-	-100.0%
<b>Operating Subtotal</b>	<b>429,277</b>	<b>963,900</b>	<b>-</b>	<b>-100.0%</b>
Capital Outlays	62,673	19,750	-	-100.0%
Administrative Charge	165,750	197,400	-	-100.0%
Other / Transfers *	129,670	125,100	132,790	6.1%
Debt Service (Interest)	10,663	10,200	9,420	-7.6%
<b>Subtotal</b>	<b>1,597,209</b>	<b>1,722,190</b>	<b>298,040</b>	<b>-82.7%</b>
Addition to Reserves	-	65,290	-	-100.0%
<b>Total</b>	<b>1,597,209</b>	<b>1,787,480</b>	<b>298,040</b>	<b>-83.3%</b>

\* Includes depreciation and amortization.



# Enterprise Funds - RedGate Golf Course Fund

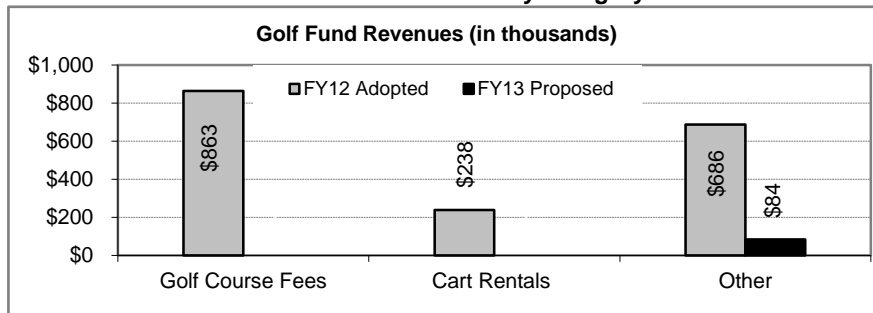
**TABLE 3-45. RedGate Golf Fund Revenues by Department**

	Actual FY11	Adopted FY12	Proposed FY13	% Change
Recreation and Parks	879,764	1,157,480	-	-100.0%
Non-Departmental	2,390,645	630,000	83,670	-86.7%
<b>Total</b>	<b>3,270,409</b>	<b>1,787,480</b>	<b>83,670</b>	<b>-95.3%</b>

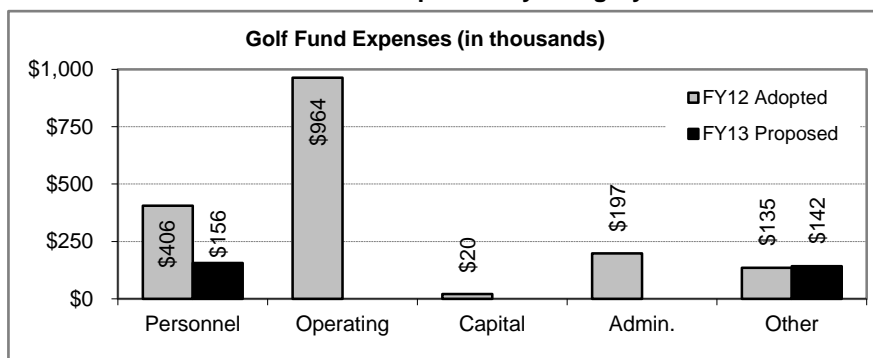
**TABLE 3-46. RedGate Golf Fund Expenses by Department**

	Actual FY11	Adopted FY12	Proposed FY13	% Change
Public Works	15,627	13,100	-	-100.0%
Recreation and Parks	1,241,995	1,345,450	-	-100.0%
Non-Departmental	339,587	363,640	298,040	-18.0%
<b>Total</b>	<b>1,597,209</b>	<b>1,722,190</b>	<b>298,040</b>	<b>-82.7%</b>

**GRAPH 3-25. RedGate Golf Fund Revenues by Category**



**GRAPH 3-26. RedGate Golf Fund Expenses by Category**



# Governmental Funds - Special Activities Fund

Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted by legal, regulatory, and policy provisions to finance specific activities. The special revenue funds that are in the FY 2013 budget include: Special Activities, Community Development Block Grant, and Speed Camera.

## Special Activities Fund

There are currently 13 active accounts in the FY 2013 budget. These accounts receive revenues from fund-raising and community activities, payment-in-lieu programs, as well as from a variety of corporations and community service organizations. The amount that is appropriated each year is directly related to the overall revenues received in the past years, and projected revenues for the next year (these accounts are not funded by General Fund revenues).

**TABLE 3-47. Special Activities Fund Revenues by Category**

	Actual FY11	Adopted FY12	Proposed FY13	% Change
Mansion Rentals	20,000	20,000	20,000	0.0%
Community Contributions	152,009	131,530	158,690	20.6%
Developer Contributions	490,735	142,880	142,880	0.0%
Cable Capital Grants	578,667	508,630	670,000	31.7%
Other / Money & Prop.	5,298	650	1,650	153.8%
General Fund Transfer *	8,530	7,170	-	-100.0%
<b>Subtotal</b>	<b>1,255,239</b>	<b>810,860</b>	<b>993,220</b>	<b>22.5%</b>
Use of Reserves	-	329,050	328,410	-0.2%
<b>Total</b>	<b>1,255,239</b>	<b>1,139,910</b>	<b>1,321,630</b>	<b>15.9%</b>

\* This transfer is for the Art in Public Architecture account, which requires an annual contribution equal to 1.0 percent of the City's general construction costs for the year.

**TABLE 3-48. Special Activities Fund Expenditures by Category**

	Actual FY11	Adopted FY12	Proposed FY13	% Change
Salaries	11,554	-	-	N/A
Benefits	884	-	-	N/A
Overtime	-	-	-	N/A
<b>Personnel Subtotal</b>	<b>12,438</b>	<b>-</b>	<b>-</b>	<b>N/A</b>
Contractual Services	86,123	113,700	76,700	-32.5%
Commodities	317,011	370,450	312,630	-15.6%
<b>Operating Subtotal</b>	<b>403,134</b>	<b>484,150</b>	<b>389,330</b>	<b>-19.6%</b>
Capital Outlays	587,076	569,630	832,000	46.1%
Administrative Charge	-	-	-	N/A
Other / Transfers	60,857	86,130	100,300	16.5%
Debt Service (Interest)	-	-	-	N/A
<b>Subtotal</b>	<b>1,063,505</b>	<b>1,139,910</b>	<b>1,321,630</b>	<b>15.9%</b>
Addition to Reserves	-	-	-	N/A
<b>Total</b>	<b>1,063,505</b>	<b>1,139,910</b>	<b>1,321,630</b>	<b>15.9%</b>

# Governmental Funds - Special Activities Fund

**TABLE 3-49. Special Activities Fund Revenues by Department \***

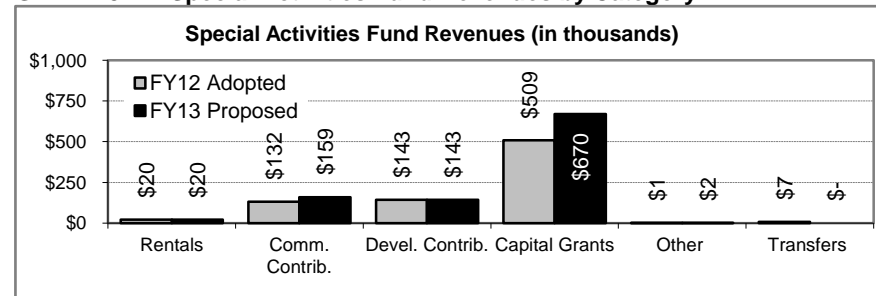
	Actual FY11	Adopted FY12	Proposed FY13	% Change
City Manager	579,724	508,630	671,000	31.9%
CPDS	33,297	-	-	N/A
Public Works	460,379	142,880	208,060	45.6%
Recreation and Parks	181,839	488,400	442,570	-9.4%
<b>Total</b>	<b>1,255,239</b>	<b>1,139,910</b>	<b>1,321,630</b>	<b>15.9%</b>

\* FY12 and FY13 includes the appropriated fund balance.

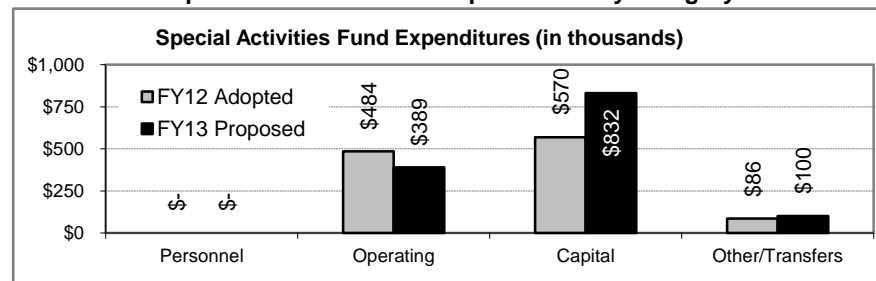
**TABLE 3-50. Special Activities Fund Expenditures by Department**

	Actual FY11	Adopted FY12	Proposed FY13	% Change
City Manager	530,719	508,630	671,000	31.9%
Public Works	115,010	142,880	208,060	45.6%
Recreation and Parks	417,776	488,400	442,570	-9.4%
<b>Total</b>	<b>1,063,505</b>	<b>1,139,910</b>	<b>1,321,630</b>	<b>15.9%</b>

**GRAPH 3-27. Special Activities Fund Revenues by Category**



**GRAPH 3-28. Special Activities Fund Expenditures by Category**



## Supplemental Information:

**TABLE 3-51. Special Activities Fund by Program**

Special Activities Fund by Program	Actual FY11	Adopted FY12	Proposed FY13	% Change
Art in Public Architecture	99,663	161,920	126,920	-21.6%
Art in Public Places	102,459	150,000	100,000	-33.3%
Bike Program *	-	N/A	N/A	N/A
Cable TV Equipment	530,719	508,630	671,000	31.9%
Croydon Creek Nature Center	1,834	2,850	2,850	0.0%
Forest and Tree Preservation	30,830	20,050	30,050	49.9%
Friends of the Arts	86,037	15,700	15,700	0.0%
Glenview Mansion	22,096	21,000	21,000	0.0%
Holiday Drive	20,567	23,390	24,000	2.6%
Housing Opportunities **	-	-	-	N/A
Park Maintenance	20,000	40,050	55,050	37.5%
Recreation	27,642	40,050	40,050	0.0%
Rockville Emergency Assistance Program	-	6,440	20,000	210.6%
Senior Assistance	6,648	6,950	6,950	0.0%
Transportation Demand Management ***	115,010	142,880	208,060	45.6%
<b>Total</b>	<b>1,063,505</b>	<b>1,139,910</b>	<b>1,321,630</b>	<b>15.9%</b>

\* The Bike Program was combined with the General Fund in FY 2012 because this account did not have a legal source for revenue restriction.

\*\* The Housing Opportunities balance as of 6/30/11 was \$366,056. Until a major project is identified, the balance will not be appropriated in the budget.

\*\*\* The Transportation Demand Management balance as of 6/30/11 was \$2,314,500. A portion of this balance is included in the FY 2013 proposed budget for the Rockville Intermodal Access - Baltimore Road CIP project for \$300,000.

# Governmental Funds - CDBG

## Community Development Block Grant Fund

The Community Development Block Grant (CDBG) Fund is a special revenue fund supported by a sub-grant of federal funds via Montgomery County. The annual budget for this fund consists of unexpended prior years' grants as well as the next year's anticipated grant and is based on the latest information available from Montgomery County.

**TABLE 3-52. CDBG Fund Revenues by Category \***

	Actual FY11	Adopted FY12	Proposed FY13	% Change
CDBG Block Grant	195,478	304,000	211,312	-30.5%
Other / Money & Prop.	-	-	-	N/A
Prior Years' Approp.	-	289,000	242,760	-16.0%
<b>Subtotal</b>	<b>195,478</b>	<b>593,000</b>	<b>454,072</b>	<b>-23.4%</b>
Use of Reserves	-	-	-	N/A
<b>Total</b>	<b>195,478</b>	<b>593,000</b>	<b>454,072</b>	<b>-23.4%</b>

\* Actual FY11 represents one fiscal year, while Adopted FY12 and Proposed FY13 represent the current fiscal year plus the prior years' appropriations or expenditures.

**TABLE 3-53. CDBG Fund Expenditures by Category \***

	Actual FY11	Adopted FY12	Proposed FY13	% Change
Salaries**	34,619	76,080	65,430	-14.0%
Benefits**	6,182	23,040	20,100	-12.8%
Overtime	-	-	-	N/A
<b>Personnel Subtotal</b>	<b>40,801</b>	<b>99,120</b>	<b>85,530</b>	<b>-13.7%</b>
Contractual Services	157,184	493,880	368,542	-25.4%
Commodities	-	-	-	N/A
<b>Subtotal</b>	<b>197,985</b>	<b>593,000</b>	<b>454,072</b>	<b>-23.4%</b>
Addition to Reserves	-	-	-	N/A
<b>Total</b>	<b>197,985</b>	<b>593,000</b>	<b>454,072</b>	<b>-23.4%</b>

\* Actual FY11 represents one fiscal year, while Adopted FY12 and Proposed FY13 represent the current fiscal year plus the prior years' appropriations or expenditures.

\*\* The City is able to utilize up to 20 percent of the grant funding to administer the program. For FY13 0.2 FTE of the Rehabilitation Specialist position was moved from the CDBG Fund to the General Fund in order increase the amount of the grant being used for rehabilitation repairs.

**TABLE 3-54. CDBG Fund Revenues by Department \***

	Actual FY11	Adopted FY12	Proposed FY13	% Change
CPDS	195,478	593,000	454,072	-23.4%
Non-Departmental	-	-	-	N/A
<b>Total</b>	<b>195,478</b>	<b>593,000</b>	<b>454,072</b>	<b>-23.4%</b>

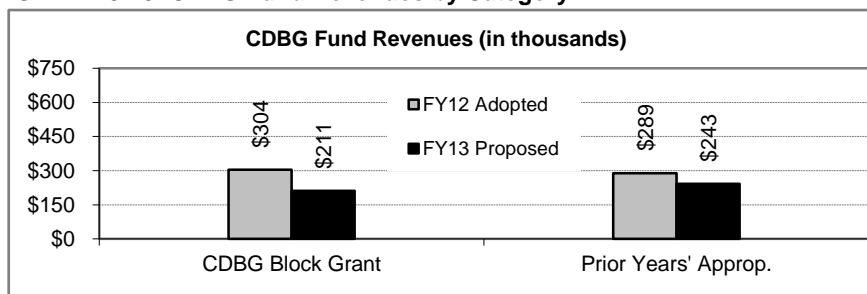
\* Actual FY11 represents one fiscal year, while Adopted FY12 and Proposed FY13 represent the current fiscal year plus the prior years' appropriations or expenditures.

**TABLE 3-55. CDBG Fund Expenditures by Department \***

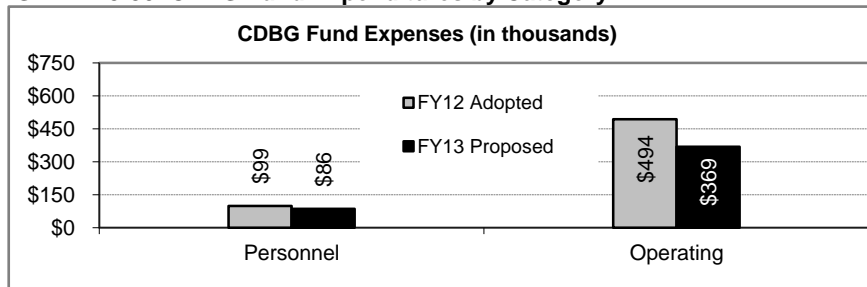
	Actual FY11	Adopted FY12	Proposed FY13	% Change
CPDS	197,985	593,000	454,072	-23.4%
<b>Total</b>	<b>197,985</b>	<b>593,000</b>	<b>454,072</b>	<b>-23.4%</b>

\* Actual FY11 represents one fiscal year, while Adopted FY12 and Proposed FY13 represent the current fiscal year plus the prior years' appropriations or expenditures.

**GRAPH 3-29. CDBG Fund Revenues by Category**



**GRAPH 3-30. CDBG Fund Expenditures by Category**



# Governmental Funds - Town Center Management District

## Town Center Management District (TCMD) Fund

The Town Square Street and Area Lighting District (residential and commercial) and the Town Square Commercial District (commercial only) were created in FY 2008 to support the maintenance and operational costs of the Town Center Management District. From FY 2008 to FY 2011 these two districts levied special property taxes on the properties within the Town Square boundaries to support the total annual expenditure budget for the TCMD Fund.

Starting July 1, 2011, Federal Realty Investment Trust (FRIT) the commercial developer of Town Square, took over the maintenance and operational costs of the TCMD. Since FRIT now manages the District, the TCMD Fund is not included in the budget, and the tax rates are set at \$0.00. The structure of the two Districts will remain on the City books so that the City retains the ability to set rates again in the future.

**TABLE 3-56. TCMD Fund Revenues by Category**

	Actual FY11	Adopted FY12	Proposed FY13	% Change
Real Property Tax	892,125	N/A	N/A	N/A
Other / Money & Prop.	94,616	N/A	N/A	N/A
<b>Subtotal</b>	<b>986,741</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Use of Reserves	-	N/A	N/A	N/A
<b>Total</b>	<b>986,741</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

**TABLE 3-57. TCMD Fund Expenditures by Category**

	Actual FY11	Adopted FY12	Proposed FY13	% Change
Salaries	31,767	N/A	N/A	N/A
Benefits	11,469	N/A	N/A	N/A
Personnel Subtotal	43,236	N/A	N/A	N/A
Contractual Services	608,840	N/A	N/A	N/A
Commodities	72,303	N/A	N/A	N/A
Operating Subtotal	681,143	N/A	N/A	N/A
Administrative Charge	78,090	N/A	N/A	N/A
<b>Subtotal</b>	<b>802,469</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Addition to Reserves	-	N/A	N/A	N/A
<b>Total</b>	<b>802,469</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

**TABLE 3-58. TCMD Fund Revenues by Department**

	Actual FY11	Adopted FY12	Proposed FY13	% Change
Non-Departmental	986,741	N/A	N/A	N/A
<b>Total</b>	<b>986,741</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

**TABLE 3-59. TCMD Fund Expenditures by Department**

	Actual FY11	Adopted FY12	Proposed FY13	% Change
Recreation and Parks	723,045	N/A	N/A	N/A
Non-Departmental	79,424	N/A	N/A	N/A
<b>Total</b>	<b>802,469</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

# Governmental Funds - Speed Camera Fund

## Speed Camera Fund

The Speed Camera Fund is a special revenue fund used to track the financial transactions associated with the City's speed camera program. In FY 2010, a new State of Maryland law took effect that changed the threshold speed limit from 11 miles per hour to 12 miles per hour, limited the use of speed cameras in school zones to Monday through Friday from 6:00 am to 8:00 pm, and restricted the annual amount of program revenue the City can retain to 10 percent of the City's total revenues. Initially this law decreased the total number of citations the City issued by over 40 percent. As a result of the decreased citations, funding for several CIP projects was reduced and a 1.0 FTE position was eliminated in FY 2011.

At the beginning of FY 2011, the Rockville City Police Department started adding "portable camera units" (PCU's) to the City's speed camera program. PCU's contain all the technology in one box that can be transported easily from one location to the next. These units do not require an employee to operate, and they can be deployed to locations where the fixed poles and the speed van are limited. Since the City started using PCUs the total number of citations increased, and as a result the FY 2013 budget is based on an average of 4,875 citations per month.

Under the current assumptions, the FY 2013 Speed Camera Fund will support 5.5 positions (2.0 Police Officers, 3.5 Photo Enforcement Positions), the operating costs of the program, as well as several CIP projects which focus on pedestrian and traffic safety in FY 2013 (see TABLE 3-64).

**TABLE 3-60. Speed Camera Fund Revenues by Category**

	Actual FY11	Adopted FY12	Proposed FY13	% Change
Speed Camera Citations	2,451,623	1,392,000	2,340,000	68.1%
Other / Money & Prop.	3,010	37,000	900	-97.6%
<b>Subtotal</b>	<b>2,454,633</b>	<b>1,429,000</b>	<b>2,340,900</b>	<b>63.8%</b>
Use of Reserves	-	-	-	N/A
<b>Total</b>	<b>2,454,633</b>	<b>1,429,000</b>	<b>2,340,900</b>	<b>63.8%</b>

**TABLE 3-61. Speed Camera Fund Expenditures by Category**

	Actual FY11	Adopted FY12	Proposed FY13	% Change
Salaries	199,384	295,490	287,350	-2.8%
Benefits	97,353	102,110	97,070	-4.9%
Overtime	3,844	16,920	15,230	-10.0%
<b>Personnel Subtotal</b>	<b>300,581</b>	<b>414,520</b>	<b>399,650</b>	<b>-3.6%</b>
Contractual Services	982,037	592,440	969,700	63.7%
Commodities	11,915	32,700	30,590	-6.5%
<b>Operating Subtotal</b>	<b>993,952</b>	<b>625,140</b>	<b>1,000,290</b>	<b>60.0%</b>
Other / Capital	138,568	-	120,000	100.0%
Administrative Charge	222,320	224,540	226,790	1.0%
<b>Subtotal</b>	<b>1,655,421</b>	<b>1,264,200</b>	<b>1,746,730</b>	<b>38.2%</b>
Addition to Reserves	-	164,800	594,170	260.5%
<b>Total</b>	<b>1,655,421</b>	<b>1,429,000</b>	<b>2,340,900</b>	<b>63.8%</b>

# Governmental Funds - Speed Camera Fund

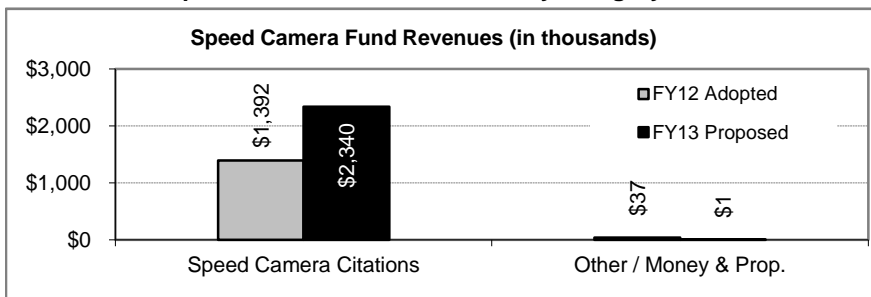
**TABLE 3-62. Speed Camera Fund Revenues by Department**

	Actual FY11	Adopted FY12	Proposed FY13	% Change
Police	2,451,623	1,392,000	2,340,000	68.1%
Non-Departmental	3,010	37,000	900	-97.6%
<b>Total</b>	<b>2,454,633</b>	<b>1,429,000</b>	<b>2,340,900</b>	<b>63.8%</b>

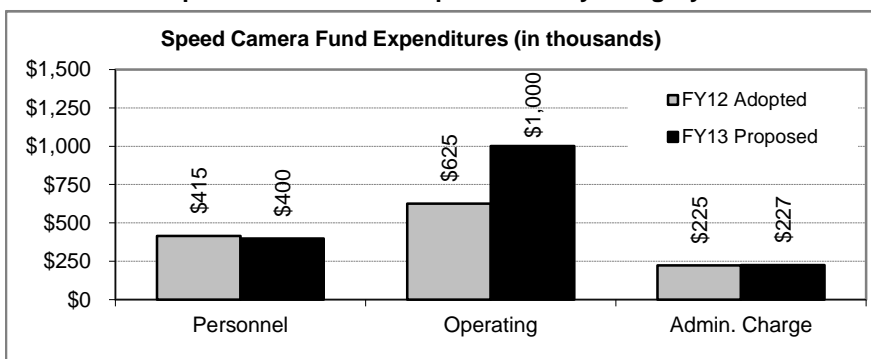
**TABLE 3-63. Speed Camera Fund Expenditures by Department**

	Actual FY11	Adopted FY12	Proposed FY13	% Change
Police	1,276,133	989,020	1,355,210	37.0%
Public Works	10,071	11,040	8,740	-20.8%
Non-Departmental	1,856,799	264,140	382,780	44.9%
<b>Total</b>	<b>3,143,003</b>	<b>1,264,200</b>	<b>1,746,730</b>	<b>38.2%</b>

**GRAPH 3-31. Speed Camera Fund Revenues by Category**

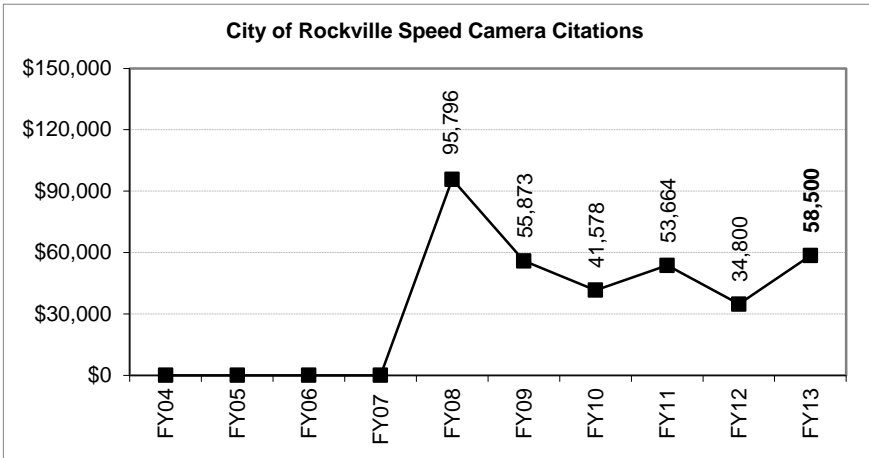


**GRAPH 3-32. Speed Camera Fund Expenditures by Category**



## Supplemental Information:

**GRAPH 3-33. History of Speed Camera Citations.** FY08 was the first year for the use of Speed Cameras in the City of Rockville.



**TABLE 3-64. CIP projects funded by the Speed Camera Fund in the FY 2013 - FY 2017 CIP \***

	FY13	FY14	FY15	FY16	FY17
Accessible Pedestrian Signals	-	450,000	450,000	375,000	375,000
Bridge Rehabilitation	340,000	-	-	-	-
Pedestrian Safety	50,000	50,000	50,000	50,000	50,000
Sidewalks	400,000	200,000	200,000	200,000	200,000
Traffic Controls: Citywide	-	50,000	50,000	50,000	50,000
<b>Total</b>	<b>790,000</b>	<b>750,000</b>	<b>750,000</b>	<b>675,000</b>	<b>675,000</b>

\* CIP project funding from FY 2014 through FY 2017 is not guaranteed and is dependent on revenues and operating expenses matching the projections in the five year forecast (page 4-12). Future CIP funding will be adjusted to insure the fund does not exceed the available fund balance.

# Statement of Projected Unreserved Equity in City Funds

**TABLE 3-65. Changes in Fund Balance / Working Capital.** This table depicts the anticipated beginning and ending unreserved fund balance (or, in the case of an enterprise fund, working capital as defined as current assets less current liabilities) for each of the City's funds. Unreserved fund balance is the accumulated total of all prior years' actual revenues in excess of expenditures. These amounts are not invested in capital assets nor have they been committed or "reserved" for encumbrances, self-insurance, or other purposes.

Fund	Estimated Balance 6/30/12	Plus FY13 Revenue	Less FY13 Exp.	Estimated Balance 6/30/13	% Change
General	10,615,853	64,989,030	64,989,030	10,615,853	0.0%
Water*	(9,993,054)	10,896,590	9,482,560	(12,599,524)	-26.1%
Sewer*	(5,005,126)	8,814,300	9,096,660	(6,466,486)	-29.2%
Refuse	2,533,503	5,613,980	6,139,370	2,008,113	-20.7%
Parking	2,173,044	2,008,100	2,477,990	1,703,154	-21.6%
SWM*	1,292,939	3,496,500	3,603,810	67,179	-94.8%
RedGate Golf	(66,279)	83,670	298,040	(280,649)	-323.4%
Special Act.	4,153,074	993,220	1,321,630	3,824,664	-7.9%
CDBG	-	454,072	454,072	-	0.0%
Speed Camera*	1,237,521	2,340,900	1,746,730	847,068	-31.6%
Debt Service	2,899,700	4,952,700	5,412,000	2,440,400	-15.8%
<b>Total</b>	<b>9,841,175</b>	<b>104,643,062</b>	<b>105,021,892</b>	<b>2,159,772</b>	<b>-78.1%</b>

\*The Estimated Balance for 6/30/13 was adjusted down by the projected cash funded amounts that will be used in the capital budget to support currently programmed CIP projects.

It is important to maintain a fund balance to ensure that City operations are not negatively impacted by large, unexpected increases in expenditures or reductions in revenues. For the General Fund, the City's Financial Management Policy is to maintain an unreserved fund balance at a level not less than 15 percent of annual General Fund revenue. The purpose of this unreserved balance is to alleviate significant unanticipated budget shortfalls and to ensure the orderly provisions of services to residents. This is the minimum level necessary to maintain the City's credit worthiness and maintain adequate cash flows. According to the City's Financial Management Policies, use of funds below the 15 percent required level must be approved by specific action of the Mayor and Council.

## Explanation of Variances - 10% or Greater

### Water Fund - Variance of (26.1%)

The Water Fund's estimated working capital balance is estimated to decrease by 26.1 percent, mainly due to capital projects expenditures. In order to address the current negative working capital balance, water usage rates increased by 8 percent for FY 2013, and will continue to increase by 8 percent until FY 2018. The Water Fund's beginning and ending working capital balances are negative, and therefore are below the required 90-day operating reserve. A major component of this negative balance is due to the July 2010 24-inch water main breaks. In addition, the City is currently replacing over 34 miles of water lines over a 20-year period. Future debt will help support this project, along with other Water Fund CIP projects, however the current and future rate increases are essential for the overall health of the Fund.

### Sewer Fund - Variance of (29.2%)

The Sewer Fund's estimated working capital balance is estimated to decrease by 29.2 percent and this mainly is due to increasing contributions to Blue Plains. In order to address the current negative working capital balance, sewer usage rates increased by 9 percent for FY 2013, will increase by 9 percent in FY 2014 and then by 6 percent each year until FY 2018. The Sewer Fund's beginning and ending working capital balances are negative, and therefore are below the required 90-day operating reserve. The Sewer Fund's balance has fluctuated over the past few years due to the variance in the City's contributions to the Blue Plains Wastewater Treatment Facility. In FY 2013 debt will be issued to support Blue Plains, and future debt will be issued to continue supporting major capital improvements at Blue Plains.

### Refuse Fund - Variance of (20.7%)

The Refuse Fund's working capital balance continues to decrease because of the City's planned use of reserves to help fund the difference in operating revenues and expenses. Although the annual expenses exceed annual revenues, expenses were dramatically reduced over the last few years as a result of the semi-automated once per week system. This system provides for reduced operating expenses because less personnel, contractual services, commodities, and vehicles and equipment are needed. Because of these reduced operating expenses, the rate remained unchanged from FY 2008 to FY 2012 and will decrease in FY 2013. The Refuse Fund's working capital balance is above the required 30-day operating reserve. The City will continue to utilize the working capital balance in order to keep rate increases conservative in future years.



# Statement of Projected Unreserved Equity in City Funds

## **Parking Fund - Variance of (21.6%)**

The Parking Fund's working capital balance continues to decrease because of the City's planned use of reserves to help fund the difference in operating revenues and expenses. In addition to the use of reserves, every year the City transfers funding from the General Fund to the Parking Fund to help support the Fund's obligations, including payments for current debt. The City will continue with the annual General Fund transfer, as well as utilize the remaining reserves over the next several years until the balance approximates a 30-day operating reserve.

## **Stormwater Management Fund - Variance of (94.8%)**

The Stormwater Management Fund's working capital balance continues to decrease because of the City's use of reserves to help fund the difference in operating revenues and operating expenses. In addition to using reserves current and future rate increases are planned to close the gap between revenues and expenses.

## **RedGate Golf Fund - Variance of (323.4%)**

The RedGate Golf Fund's working capital balance is projected to continue to decrease, which assumes revenues and expenses consistent with the Billy Casper Golf lease agreement. The FY 2013 budget does not include a transfer from the General Fund, but includes final severance payments to former employees.

## **Speed Camera Fund - Variance of (31.6%)**

The Speed Camera Fund's fund balance is projected to decrease by 31.6 percent, which includes the spending on the capital improvement projects in FY 2013. The City is planning to spend the fund balance down on one-time capital improvement projects over the 5-year planning period.

## **Debt Service - Variance of (15.8%)**

The fund balance in the Debt Service Fund will decrease by 15.8 percent because of the City's planned use of reserves in order to keep the General Fund transfer at \$4.7 million per year over five years. With no new debt issues planned a transfer of \$4.7 million annually will keep the fund positive and meet the fund's reserve requirements.

# Governmental Funds - Debt Service Fund

## Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term principal, interest and debt issuance related costs. The fund includes expenditures for the payment of principal and interest due and service charges on general obligation debt.

**TABLE 3-66. Debt Service Fund Revenues by Category**

	Actual FY11	Adopted FY12	Proposed FY13	% Change
Interest Earnings	59,905	100,000	52,700	-47.3%
Assessments	279,232	200,000	200,000	0.0%
Other / Premiums	1,768,254	-	-	N/A
Trans. from General Fund	5,200,000	5,100,000	4,700,000	-7.8%
<b>Subtotal</b>	<b>7,307,391</b>	<b>5,400,000</b>	<b>4,952,700</b>	<b>-8.3%</b>
Use of Reserves	-	396,000	459,300	16.0%
<b>Total</b>	<b>7,307,391</b>	<b>5,796,000</b>	<b>5,412,000</b>	<b>-6.6%</b>

**TABLE 3-67. Debt Service Fund Expenditures by Category**

	Actual FY11	Adopted FY12	Proposed FY13	% Change
Principal	4,670,896	3,924,000	3,675,000	-6.3%
Interest	1,693,147	1,862,000	1,737,000	-6.7%
Other Charges	119,979	10,000	-	-100.0%
<b>Subtotal</b>	<b>6,484,022</b>	<b>5,796,000</b>	<b>5,412,000</b>	<b>-6.6%</b>
Addition to Reserves	-	-	-	N/A
<b>Total</b>	<b>6,484,022</b>	<b>5,796,000</b>	<b>5,412,000</b>	<b>-6.6%</b>

**TABLE 3-68. Debt Service Fund Revenues by Department**

	Actual FY11	Adopted FY12	Proposed FY13	% Change
Non-Departmental	7,307,391	5,400,000	4,952,700	-8.3%
<b>Total</b>	<b>7,307,391</b>	<b>5,400,000</b>	<b>4,952,700</b>	<b>-8.3%</b>

**TABLE 3-69. Debt Service Fund Expenditures by Department**

	Actual FY11	Adopted FY12	Proposed FY13	% Change
Non-Departmental	6,484,022	5,796,000	5,412,000	-6.6%
<b>Total</b>	<b>6,484,022</b>	<b>5,796,000</b>	<b>5,412,000</b>	<b>-6.6%</b>

**TABLE 3-70. General Debt Summary.**

	Year	Outstanding Principal	Interest Rate Range	Final Maturity
General Improvements	2003	5,558,683	2.00 - 3.85%	2023
General Improv. Refunding	2003	152,629	2.00 - 3.00%	2013
General Improvements	2004	6,840,000	4.00 - 5.00%	2029
General Improvements	2005	9,015,000	3.50 - 6.00%	2025
General Improvements	2007	7,800,000	4.00 - 4.25%	2027
General Improvements	2010	16,520,000	2.00 - 4.10%	2031
General Improv. Refunding	2011	1,198,432	2.00 - 3.00%	2021
<b>Total</b>		<b>47,084,744</b>		

**TABLE 3-71. General Debt Detail**

	Principal	Interest	Total
2013	3,674,145	1,736,450	5,410,595
2014	3,521,670	1,620,798	5,142,468
2015	3,521,670	1,498,708	5,020,378
2016	3,510,061	1,378,748	4,888,809
2017	3,507,858	1,252,515	4,760,373
2018	3,507,858	1,123,956	4,631,814
2019	3,503,452	996,065	4,499,517
2020	3,496,249	867,794	4,364,043
2021	3,494,359	738,671	4,233,030
2022	2,961,347	608,642	3,569,989
2023	2,956,075	493,988	3,450,063
2024	2,455,000	375,700	2,830,700
2025	1,885,000	274,507	2,159,507
2026	1,195,000	200,969	1,395,969
2027	1,195,000	154,400	1,349,400
2028	675,000	107,325	782,325
2029	675,000	81,675	756,675
2030	675,000	54,675	729,675
2031	675,000	27,675	702,675
<b>Total</b>	<b>47,084,744</b>	<b>13,593,261</b>	<b>60,678,005</b>

# Enterprise Funds - Debt Service Schedules

**TABLE 3-72. Enterprise Debt Summary \***

	Year	Outstanding Principal	Interest Rate Range	Final Maturity
General Improv.	1999	1,183,355	3.21%	2019
General Improv.	2000	972,824	3.64%	2020
General Improv.	2002	2,086,550	1.90%	2023
General Improv.	2003	1,806,317	2.00 - 3.88%	2023
General Improv.	2003	62,372	2.00 - 3.00%	2013
General Improv.	2004	2,110,000	4.00 - 5.00%	2029
General Improv.	2005	944,621	0.00%	2025
General Improv.	2005	10,350,000	3.50 - 6.00%	2036
General Improv.	2007	7,180,000	4.00 - 4.25%	2027
General Improv.	2008	9,820,000	3.00 - 4.50%	2028
Loan Payable	2010	998,100	1.00%	2031
General Improv.	2010	9,270,000	2.00 - 4.10%	2031
General Refund.	2011	1,521,568	2.00 - 3.00%	2021
General Improv.	2012	9,835,000	2.00 - 3.375%	2032
General Improv.	2012	30,830,000	3.50 - 4.375%	2036
<b>Total</b>		<b>88,970,707</b>		

\* The City anticipates that all amounts required for payment on enterprise fund debt will be provided from the respective fund's revenues, which are secured by the full faith and credit and taxing power of the City.

**TABLE 3-73. Water Fund Debt Detail \*\***

Year	Principal	Interest	Total
2013	2,032,561	847,882	2,880,443
2014	2,014,834	786,842	2,801,676
2015	2,022,289	723,199	2,745,488
2016	2,040,118	660,245	2,700,363
2017	2,053,332	589,132	2,642,464
2018	1,881,943	517,620	2,399,563
2019	1,550,964	453,449	2,004,413
2020	1,373,966	402,205	1,776,171
2021	1,240,350	354,670	1,595,020
2022	1,244,157	313,063	1,557,220
2023	1,243,036	272,159	1,515,195
2024	1,035,000	229,425	1,264,425
2025	1,035,000	189,950	1,224,950
2026	860,000	149,400	1,009,400
2027	860,000	115,594	975,594
2028	855,000	81,619	936,619
2029	380,000	47,044	427,044
2030	380,000	33,200	413,200
2031	375,000	19,163	394,163
2032	150,000	5,063	155,063
<b>Total</b>	<b>24,627,550</b>	<b>6,790,924</b>	<b>31,418,474</b>

\*\* In addition to the existing debt, the City is planning to issue new debt in the amounts \$3.5 million in FY 2013, \$1.7 million in FY 2014, \$4.3 million in FY 2015, \$1.3 million in FY 2016, and \$1.3 million in FY 2017 for the Water System Facility Improvements, Water Tank Improvements, and Water Main Rehabilitation CIP projects.

**TABLE 3-74. Sewer Fund Debt Detail \*\*\***

Year	Principal	Interest	Total
2013	1,756,078	878,181	2,634,259
2014	1,723,527	825,380	2,548,907
2015	1,718,527	770,864	2,489,391
2016	1,710,136	717,949	2,428,085
2017	1,707,339	662,228	2,369,567
2018	1,702,339	604,605	2,306,944
2019	1,696,744	547,796	2,244,540
2020	1,693,947	487,618	2,181,565
2021	1,691,151	427,246	2,118,397
2022	1,529,518	366,723	1,896,241
2023	1,523,478	312,626	1,836,104
2024	1,380,000	257,104	1,637,104
2025	1,245,000	198,973	1,443,973
2026	900,000	160,010	1,060,010
2027	900,000	127,573	1,027,573
2028	595,000	94,940	689,940
2029	595,000	75,010	670,010
2030	595,000	54,141	649,141
2031	595,000	32,854	627,854
2032	335,000	11,306	346,306
<b>Total</b>	<b>25,592,784</b>	<b>7,613,127</b>	<b>33,205,911</b>

\*\*\* In addition to the existing debt, the City is planning to issue new debt in the amount of \$6.4 million in FY 2013, \$5.2 million in FY 2014, \$3 million in FY 2015, \$3.6 million in FY 2016, and \$3.3 million in FY 2017 for the Blue Plains Wastewater Treatment CIP project.

# Enterprise Funds - Debt Service Schedules

**TABLE 3-75. Parking Fund Debt Detail \***

Year	Principal	Interest	Total
2013	785,000	1,424,991	2,209,991
2014	820,000	1,393,591	2,213,591
2015	800,000	1,360,791	2,160,791
2016	705,000	1,332,041	2,037,041
2017	735,000	1,302,079	2,037,079
2018	1,180,000	1,270,841	2,450,841
2019	1,160,000	1,223,641	2,383,641
2020	1,210,000	1,177,241	2,387,241
2021	1,255,000	1,128,841	2,383,841
2022	1,305,000	1,078,641	2,383,641
2023	1,360,000	1,026,441	2,386,441
2024	1,405,000	978,841	2,383,841
2025	1,455,000	926,856	2,381,856
2026	1,510,000	871,566	2,381,566
2027	1,575,000	811,166	2,386,166
2028	1,635,000	746,591	2,381,591
2029	1,705,000	678,739	2,383,739
2030	1,775,000	607,129	2,382,129
2031	1,855,000	532,579	2,387,579
2032	1,930,000	454,669	2,384,669
2033	2,010,000	372,644	2,382,644
2034	2,095,000	287,219	2,382,219
2035	2,190,000	195,563	2,385,563
2036	2,280,000	99,752	2,379,752
<b>Total</b>	<b>34,735,000</b>	<b>21,282,453</b>	<b>56,017,453</b>

\* This debt schedule represents the updated debt schedule due to the defeasement of tax exempt bonds with the issuance and sale of taxable general obligation bonds. Because taxable debt is issued at higher rates than tax exempt debt, the City's cost to service the debt increased throughout the term of the debt. Issuing taxable bonds was required before FRIT could take over the management and operations of the garages.

**TABLE 3-76. Refuse Fund Debt Detail**

Year	Principal	Interest	Total
2013	375,000	71,900	446,900
2014	375,000	56,900	431,900
2015	365,000	41,900	406,900
2016	345,000	27,400	372,400
2017	340,000	13,600	353,600
<b>Total</b>	<b>1,800,000</b>	<b>211,700</b>	<b>2,011,700</b>

**TABLE 3-77. RedGate Fund Debt Detail**

Year	Principal	Interest	Total
2013	24,804	9,418	34,222
2014	24,803	8,674	33,477
2015	24,803	7,930	32,733
2016	24,804	7,156	31,960
2017	24,804	6,349	31,153
2018	24,803	5,505	30,308
2019	24,803	4,637	29,440
2020	24,803	3,744	28,547
2021	24,804	2,827	27,631
2022	24,803	1,896	26,699
2023	24,618	954	25,572
<b>Total</b>	<b>272,652</b>	<b>59,090</b>	<b>331,742</b>

**TABLE 3-78. SWM Fund Debt Detail \*\***

Year	Principal	Interest	Total
2013	117,992	10,364	127,973
2014	118,445	9,528	127,973
2015	118,903	9,070	127,972
2016	119,365	8,607	127,972
2017	119,832	8,140	127,975
2018	120,304	7,671	127,972
2019	120,780	7,192	127,973
2020	121,262	6,711	127,973
2021	121,748	6,225	127,973
2022	122,239	5,734	127,973
2023	122,734	5,239	127,975
2024	123,237	4,738	127,975
2025	123,743	4,232	127,974
2026	51,590	3,721	55,309
2027	52,104	3,205	55,309
2028	52,625	2,684	55,311
2029	53,153	2,158	55,310
2030	53,683	1,627	55,310
2031	54,220	1,090	55,310
2032	54,762	548	55,310
<b>Total</b>	<b>1,942,721</b>	<b>108,484</b>	<b>2,050,822</b>

\*\* In addition to the existing debt, the City is planning to issue new debt in the amount of \$2 million in FY 2013, \$3 million in FY 2015, and \$1.9 million in FY 2017 for the Horizon Hills SWM Ponds, Watts Branch - Upper Stream, and Stream Restoration CIP projects.

# All Funds - Debt Ratios

The debt ratios for the Capital Projects Fund and the Enterprise funds assist the City in monitoring the overall financial health of each fund. Neither Maryland State law nor the City Charter mandates a limit on municipal debt. In the Capital Projects Fund, the City strives to 1) maintain its net tax-supported debt at a level not to exceed 1.0 percent of the assessed valuation of taxable property within the City, 2) ensure that its net tax-supported debt per capita does not exceed \$700, 3) ensure that its net tax-supported debt per capita as a percentage of Federal adjusted gross income does not exceed 2.5 percent, and 4) maintain its annual net tax-supported debt service costs at a level less than 15 percent of the City's annual adopted General Fund expenditures.

The General Debt ratios include the debt issued for the Town Center Parking Garages. With the inclusion of the parking garage debt, some ratios exceed the City's targets. Discussions with the bond rating agencies indicate that this is reasonable given the City's overall financial profile. The Debt per Capita ratios below are shown with and without the Parking Garage debt.

**TABLE 3-79. General Debt Ratios (includes Parking Garage debt unless noted)**

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Debt per Assessed Value (1.0% target)	0.6%	0.6%	0.6%	0.5%	0.5%
Debt per Capita w/Parking (\$700 target)	\$1,194	\$1,118	\$1,043	\$959	\$876
Debt per Capita w/o parking (\$700 target)	\$653	\$630	\$535	\$507	\$412
Debt per Capita as a % of per Capita Income (2.5% target)	2.4%	2.2%	2.1%	1.9%	1.7%
Debt Service as % of Operating Budget (15.0% target)	11.7%	11.0%	10.5%	9.9%	9.5%

The City strives to set Enterprise Fund rates at levels needed to fully cover debt service requirements as well as operations, maintenance, administration and capital improvement costs. Debt service coverage ratios are calculated annually and each fund should maintain a minimum of a 1.2 coverage ratio.

**TABLE 3-80. Water Fund Debt Ratios**

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Gross Revenue	10,896,590	11,749,280	12,650,610	13,631,085	14,699,170
Less: Operating Exp.	6,409,880	6,697,680	7,008,320	7,363,920	7,781,430
Net Available Revenue	4,486,710	5,051,600	5,642,290	6,267,165	6,917,740
Total Debt <sup>1</sup>	2,880,440	3,130,330	3,225,230	3,168,560	3,219,000
Coverage Target ≥ 1.2	1.6	1.6	1.7	2.0	2.1

<sup>1</sup> Includes principal and interest from current debt and \$12 mill in planned debt, composed of a \$3.5 mill issue in FY13, a \$1.7 mill issue in FY14, a \$4.3 mill issue in FY15, a \$1.3 mill issue in FY16 and a \$1.3 mill issue in FY17.

**TABLE 3-81. Sewer Fund Debt Ratios**

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Gross Revenue	8,814,300	9,659,850	10,263,680	10,905,820	11,600,270
Less: Operating Exp.	5,992,640	6,200,126	6,416,818	6,652,208	6,913,206
Net Available Revenue	2,821,660	3,459,724	3,846,862	4,253,612	4,687,064
Total Debt <sup>2</sup>	2,634,260	3,158,240	3,582,280	3,494,750	3,757,420
Coverage Target ≥ 1.2	1.1	1.1	1.1	1.2	1.2

<sup>2</sup> Includes principal and interest from current debt and \$21.5 mill in planned debt, composed of a \$6.4 mill issue in FY13, a \$5.2 mill issue in FY14, a \$3 mill issue in FY15, a \$3.6 mill issue in FY16 and a \$3.3 mill issue in FY17.

**TABLE 3-82. Refuse Fund Debt Ratios**

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Gross Revenue	5,613,980	5,877,390	6,082,200	6,296,000	6,592,150
Less: Operating Exp.	5,728,270	5,813,540	5,916,390	6,038,190	6,190,650
Net Available Revenue	(114,290)	63,850	165,810	257,810	401,500
Total Debt <sup>3</sup>	446,900	431,900	406,900	372,400	353,600
Coverage Target ≥ 1.2	(0.3)	0.1	0.4	0.7	1.1

<sup>3</sup> Includes principal and interest from current debt. No future debt is anticipated.

**TABLE 3-83. Stormwater Management Fund Debt Ratios**

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Gross Revenue	3,496,500	4,369,745	4,951,200	5,344,290	5,656,300
Less: Operating Exp.	3,298,470	3,152,143	3,262,756	3,380,935	3,507,340
Net Available Revenue	198,030	1,217,602	1,688,444	1,963,355	2,148,960
Total Debt <sup>4</sup>	127,970	318,800	314,280	309,760	305,250
Coverage Target ≥ 1.2	1.5	3.8	5.4	6.3	7.0

<sup>4</sup> Includes principal and interest from current debt and \$6.9 mill in planned debt issue, composed of a \$2 mill issue in FY13, a \$3 mill issue in FY15 and a \$1.9 mill issue in FY17.

**TABLE 3-84. Redgate Golf Fund Debt Ratios**

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Gross Revenue	83,670	99,180	104,425	105,005	124,320
Less: Operating Exp.	155,830	-	-	-	-
Net Available Revenue	(72,160)	99,180	104,425	105,005	124,320
Total Debt <sup>5</sup>	34,965	34,222	33,477	32,733	31,960
Coverage Target ≥ 1.2	(2.1)	2.9	3.1	3.2	3.9

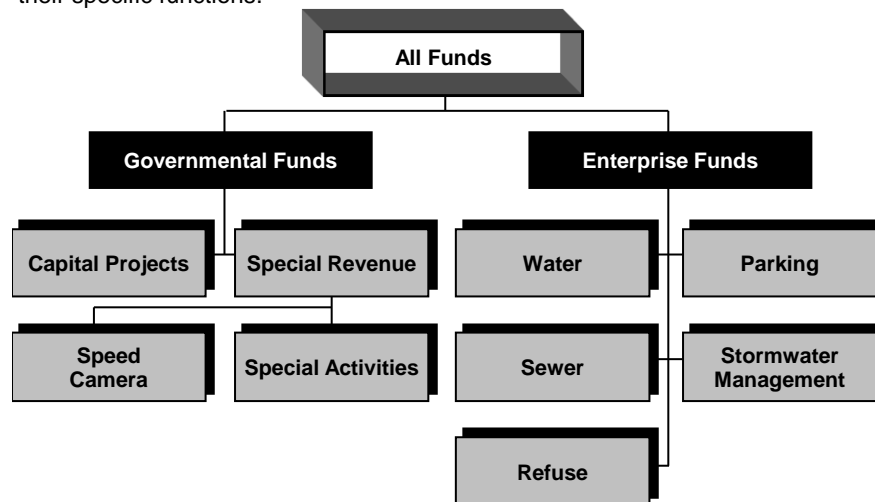
<sup>5</sup> Includes principal and interest from current debt. No future debt is anticipated.

# All Funds Summary - Capital Improvements Program (CIP)

The Capital Improvements Program (CIP) is the City's capital investment plan for the next five years. The CIP is a fiscal and planning device that allows the City to inventory and monitor capital project costs, funding sources, departmental responsibilities, and timing schedules. Each year the CIP is reviewed in the context of ongoing City, County, State, and Federal planning programs and policies as well as the City's Master Plan. Items included within the CIP are usually defined within one of the following six categories:

1. The acquisition of land for a public purpose.
2. The construction of a significant facility, i.e., a building or a road, or the addition to or extension of an existing facility.
3. Nonrecurring rehabilitation or major repair to all or part of a facility provided the total cost per fiscal year is more than \$100,000.
4. Any specific design work related to an individual project falling within the above three categories.
5. Any long-term project funded through a grant where the establishment of a CIP project is a condition of the grant.
6. A significant one-time investment in tangible goods of any nature, the benefit of which will accrue over a multi-year period over \$100,000.

**FIGURE 3-2.** The CIP can be supported by several funds as listed below. The Capital Projects Fund supports general City facilities and infrastructure, while the other funds support the infrastructure and equipment needed to perform their specific functions.



Similar to the operating budget, the CIP budget is appropriated by fund through an annual budget ordinance. The chart below shows the total appropriations by fund and program area for FY 2013.

**TABLE 3-85. FY 2013 Total Appropriations by Fund**

	Capital	Water	Sewer	SWM
Recreation and Parks	4,288,472	-	-	-
Transportation	17,202,640	-	-	-
Stormwater Mgmt.	-	-	-	5,142,058
Utilities	-	13,776,911	16,964,849	-
General Government	11,948,101	114,995	185,347	498,560
<b>Total</b>	<b>33,439,213</b>	<b>13,891,906</b>	<b>17,150,196</b>	<b>5,640,618</b>

	Refuse	Speed	Other	TOTAL
Recreation and Parks	-	-	-	4,288,472
Transportation	-	2,022,856	600,000	19,825,496
Stormwater Mgmt.	-	-	-	5,142,058
Utilities	-	-	-	30,741,760
General Government	1,126,827	4,497	1,188,576	15,066,903
<b>Total</b>	<b>1,126,827</b>	<b>2,027,353</b>	<b>1,788,576</b>	<b>75,064,689</b>

Of the \$75.1 million in total FY 2013 appropriations as shown above, \$27.7 million is new funding. Each fund that supports the CIP receives funding from various sources. The most common source of funding is pay-go, which for the Capital Projects Fund refers to transfers from the General Fund, and for the other funds refers to their reserves or working capital balances. Other sources include bond proceeds, developer contributions, and governmental grants.

**TABLE 3-86. FY 2013 New Appropriations by Source**

Fund	Pay-go	Bonds	Contrib.	Grants	Total
Capital	6,897,546	-	1,354,270	156,000	8,407,816
Water	4,020,500	3,459,500	-	-	7,480,000
Sewer	1,179,000	6,414,000	-	-	7,593,000
Refuse	-	-	-	-	-
SWM	1,118,450	2,008,700	-	-	3,127,150
Spec. Act.	300,000	-	-	-	300,000
Speed	790,000	-	-	-	790,000
<b>Total</b>	<b>14,305,496</b>	<b>11,882,200</b>	<b>1,354,270</b>	<b>156,000</b>	<b>27,697,966</b>

# Non-Routine CIP Projects

The City defines non-routine CIP projects as projects that are one-time or major infrastructure improvements, not on-going or routine maintenance projects. Below is a summary of the funded routine versus non-routine CIP projects, followed by brief descriptions of the non-routine projects. Several of these projects also have operating cost impacts, which are explained in detail on pages 3-41 and 3-42.

**TABLE 3-87. Summary of Non-Routine vs. Routine CIP Projects**

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Non-Routine	8,430,970	986,000	5,360,000	375,000	375,000
Routine	19,266,996	17,174,926	15,835,265	15,889,412	18,027,535
Total	27,697,966	18,160,926	21,195,265	16,264,412	18,402,535

**TABLE 3-88. F. Scott Fitzgerald Theatre Improvements**

Fund	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Capital	272,000	-	-	-	-

This project funds renovations, improvements, and technical upgrades to the F. Scott Fitzgerald Theatre which includes the Social Hall. For FY 2013, construct restrooms (expand to serve large groups and replace 1980's facilities) and new food/coffee service area (replacing 1960 kitchen) to meet needs of the 20,000 annual visits using the Social Hall for a variety of events.

**TABLE 3-89. Glenview Mansion and Cottage Improvements**

Fund	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Capital	40,000	118,000	-	-	-

This project funds improvements and renovations to the Glenview Mansion and Cottage, based on a five-year plan that is updated annually. For FY 2013, replace mansion kitchen floor. FY 2014 includes trenching and installing rain water collection system, removal of 1980's drop ceilings and repair/removal of 1926 ceilings in eight rooms.

**TABLE 3-90. King Farm Farmstead Improvements**

Fund	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Capital	46,000	-	-	-	-

This project funds improvements to the five-acre "Farmstead", containing the original King family farmhouse, dairy barns and other buildings. For FY 2013, stabilize house, barns, and outbuildings.

**TABLE 3-91. Lincoln Park Community Center Improv.**

Fund	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Capital	115,000	-	-	-	-

This project funds replacement of the gym floor and main basketball backboards, installation of a ventilation system in the fitness room, and installation of a scoreboard.

**TABLE 3-92. Senior Center Improvements**

Fund	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Capital	125,000	-	-	-	-

This project funds replacement of carpet in meeting rooms, hallway and office furniture and painting of the non-renovated portion.

**TABLE 3-93. Accessible Pedestrian Signals**

Fund	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Capital	525,000	-	-	-	-
Speed	-	450,000	450,000	375,000	375,000

This project funds the installation of Accessible Pedestrian Signals at City owned traffic signals.

**TABLE 3-94. Rockville Intermodal Access - Baltimore Road**

Fund	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Developer	829,270	-	-	-	-
Spec. Act.	300,000	-	-	-	-
Total	1,129,270	-	-	-	-

This project improves accessibility and connectivity of the intermodal systems along Baltimore Road and its surrounding neighborhoods, from the City limits to Town Center. For FY 2013, award bid and begin construction. Construction is estimated to be complete in FY 2014 (approximately \$5.3 million will carry over in addition to the FY 2013 funds to support this major project).

# Non-Routine CIP Projects

**TABLE 3-95. Horizon Hills SWM Ponds**

Fund	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
SWM	2,008,700	-	-	-	-

This project funds the concept development, design, and construction to the Horizon Hill Park stream valley, including modifying three existing stormwater management dry ponds. For FY 2013, construct stormwater management facilities.

**TABLE 3-96. Watts Branch - Upper Stream**

Fund	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
SWM	-	-	1,810,000	-	-

This project funds repairs to specific stream valley erosion problems identified in the 2001 Watts Branch Watershed Study. The work area is between Nelson Street and Gude Drive along the main stem of Watts Branch. For FY 2015, construct repairs.

**TABLE 3-97. SCADA Improvements**

Fund	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Water	200,000	265,000	-	-	-
Sewer	-	5,000	-	-	-

This project funds the analysis, design, and construction of improvements to the City's System Control and Data Acquisition (SCADA) system. For FY 2013, continue constructing Phase I improvements. For FY 2014, design and construct Phase II SCADA improvements (water quality monitoring and site security system integration) and begin Phase III improvements (remaining PRV integration).

**TABLE 3-98. Water System Facility Improvements**

Fund	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Water	1,260,000	-	-	-	-

This project funds the study, design, and construction of water system improvements to improve water quality, increase production capacity, and rehabilitate/replace aging components. For FY 2013, construct ferric chloride coagulation improvements to the Water Treatment Plant.

**TABLE 3-99. Water Tank Improvements**

Fund	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Water	1,621,000	148,000	3,100,000	-	-

This project funds the inspection and rehabilitation/replacement of Rockville's three water tanks. For FY 2013, design and construct pressure reducing valves and vaults and miscellaneous pipe upgrades to support Talbot Tank being taken out of service. For FY 2014, design Hunting Hill and Carr Avenue Tank rehabilitation. For FY 2015 construct tank repairs.

**TABLE 3-100. Enterprise Resource Planning (ERP) System**

Fund	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Capital	750,000	-	-	-	-

This project funds the analysis, purchase, and implementation of a comprehensive ERP system. For FY 2013, install remaining ERP modules.

**TABLE 3-101. Gude Drive Facility Improvement**

Fund	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Capital	339,000	-	-	-	-

This project funds the modernization and expansion of the City's maintenance complex. For FY 2013, complete construction of phase III (replace 25 year old temporary trailers).



# Operating Cost Impacts of CIP Projects

Some of the City's routine and non-routine CIP projects impact future operating budgets due to increases or decreases in operating costs. These impacts vary from project to project and are evaluated each year during the annual budget process. The following charts list the budget amounts, by fund, project and fiscal year, added to or subtracted from the City's operating budget.

**TABLE 3-102. Ballfield Equipment Replacement**

Fund	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
General	-	-	(2,050)	-	-

Replacement of the Broome Park sports lights in FY 2014 will save \$2,050 in electricity costs starting in FY 2015 due to energy efficient lighting.

**TABLE 3-103. Senior Center Improvements**

Fund	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
General	24,020	-	-	-	-

This project added \$24,020 in FY 2013 for additional fitness and custodial staff, maintenance supplies and utility costs.

**TABLE 3-104. Accessible Pedestrian Signals**

Fund	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
General	7,000	3,500	-	-	-

Adding 14 new signals in FY 2013 and 7 new signals in FY 2014 will add \$500 per traffic signal to the operating budget to fund signal maintenance following a one-year warranty period.

**TABLE 3-105. Pedestrian Safety**

Fund	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
General	4,000	1,800	1,800	1,800	1,800

This project added \$4,000 in FY 2013 and will add \$1,800 in the FY 2014 through FY 2017 operating budgets for contracted signal maintenance for school flashers, signs, concrete maintenance, and landscaping.

**TABLE 3-106. Rockville Intermodal Access - Baltimore Road**

Fund	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
General	-	-	5,000	-	-

This project will add \$5,000 to the FY 2015 operating budget to fund landscaping (\$1,500), snow removal (\$1,800), pavement marking maintenance (\$800), traffic sign repair (\$400) and supplies (\$500).

**TABLE 3-107. Sidewalks**

Fund	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
General	1,000	400	400	400	400

Construction of new sidewalks will add \$1,000 to the FY 2013 operating budget and \$400 each year beginning in FY 2014 to fund maintenance, supplies, snow removal, signs, and landscaping.

**TABLE 3-108. Street Lighting Improvements**

Fund	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
General	5,000	5,000	5,000	5,000	5,000

The addition of approximately 60 new streetlights each year will add \$5,000 (\$80 per light) to the operating budget each fiscal year to fund electrical and maintenance costs.

**TABLE 3-109. Traffic Controls Citywide**

Fund	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
General	500	-	500	500	500

The addition of new traffic controls will add \$500 to the FY 2013 operating budget and \$500 each fiscal year when new controls are added to fund traffic signal maintenance.

**TABLE 3-110. Glenora Tributary - Middle**

Fund	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
General	-	8,100	-	-	-
SWM	-	5,000	-	-	-

This project will add \$13,100 to the FY 2014 operating budget for the management of non-native invasive species plants (\$8,100) and stream monitoring (\$5,000).

**TABLE 3-111. Horizon Hills SWM Ponds**

Fund	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
General	-	-	3,000	-	-
SWM	-	-	20,000	-	-

This project will add \$23,000 to the FY 2015 operating budget to fund routine pond maintenance (\$20,000) and management of non-native invasive species (\$3,000).

# Operating Cost Impacts of CIP Projects

**TABLE 3-112. Storm Drain Rehab and Improvements**

Fund	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
SWM	500	500	500	500	500

This project will add \$500 each year for maintenance of storm drain pipe extensions.

**TABLE 3-113. Stream Restoration**

Fund	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
General	-	-	-	-	3,700
SWM	-	-	-	-	5,000

This project will add \$8,700 to the FY 2017 operating budget to fund on-going effectiveness monitoring (\$5,000), and management of non-native invasive species (\$3,700).

**TABLE 3-114. SWM Facility Improvements**

Fund	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
SWM	-	18,000	-	7,000	5,000

This project will add \$18,000 to the FY 2014 operating budget for repairs and routine maintenance of ponds (Potomac Woods, Aintree, Locks Pond Court). For FY 2016, \$7,000 will be added for the Hungerford/Stoneridge pond. For FY 2017, \$5,000 will be added for the King Farm Watkins pond.

**TABLE 3-115. Watts Branch - Upper Stream**

Fund	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
General	-	-	-	-	22,400
SWM	-	-	-	-	5,000

This project will add \$27,400 (\$3,000 per acre impacted) to the FY 2017 operating budget to fund continued management of non-native invasive species plants (\$22,400) and on-going effectiveness monitoring (\$5,000).

**TABLE 3-116. SCADA Improvements**

Fund	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Water	10,000	5,000	-	-	-

This project added \$10,000 to the FY 2013 and \$5,000 to the FY 2014 operating budgets to fund maintenance.

**TABLE 3-117. Southlawn Lane Water Main**

Fund	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Water	-	500	-	-	-

This project will add \$500 to the FY 2014 operating budget to fund pressure reducing valve maintenance.

**TABLE 3-118. Water Plant Upgrades**

Fund	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Water	-	15,000	-	-	-

This project will add \$15,000 to the FY 2014 operating budgets for chemicals, electricity, and maintenance.

**TABLE 3-119. Water System Facility Improvements**

Fund	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Water	-	120,000	-	-	-

This project will add \$120,000 to the FY 2014 operating budgets for chemicals and electricity for the change of coagulant to ferric chloride.

**TABLE 3-120. Water Tank Improvements**

Fund	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Water	-	5,000	-	-	-

This project will add \$5,000 to the FY 2014 operating budget to fund pump maintenance.

**TABLE 3-121. Document Management and Imaging System**

Fund	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
General	-	125,000	-	-	-

This project will add \$125,000 in FY 2014 for the annual maintenance costs (\$35,000) and a new 1.0 FTE to manage the system (\$90,000).

**TABLE 3-122. Enterprise Resource Planning System**

Fund	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
General	-	-	(17,140)	-	-

In FY 2015 a net savings of \$17,140 will be realized, due to the addition of \$150,000 for the annual maintenance cost for the ERP system and a reduction of \$167,140 in current software maintenance contracts.

**TABLE 3-123. Police Station**

Fund	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
General	208,670	(250,000)	-	-	-

The new operating cost impact for the police facility added \$208,670 to the FY 2013 operating budget to fund maintenance, utilities, leased parking, copier lease and phone lines for the portion of the year the police facility will be operational. Taking advantage of the space vacated by the Police Department at City Hall, two leases and associated expenses at Court House Square, in the amount of \$250,000, will be eliminated starting in FY 2014.